Information Technology

1QFY27 preview – Soft quarter; mid-caps to lead growth

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Information Technology ▸ Sector Report ▸ **July 01, 2026** **NIFTY 50: 23,866**

We expect IT Services companies to commence FY27 on a subdued note, owing to weak discretionary spending, slower decision making amid persistent macro/geopolitical uncertainties and rising client expectations for AI-led efficiency gains in cost optimization, and vendor consolidation deals. In addition, the evolving AI-led tech landscape is weighing on the decision-making process, influencing enterprise spending and investment priorities. Against this backdrop, Tier-1 companies are likely to continue facing growth challenges, with INFO (aided by inorganic contributions) and TECHM expected to lead sequential growth. Within the tier-2 pack, HEXT, PSYS, MPHL, ECLX, FSOL, and COFORGE (due to M&A) would lead on revenue growth, while the rest are likely to post muted growth. EBITM performance of our coverage companies is expected to be a mixed bag, contingent on wage-hike cycles, large-deal ramp-up, business-related seasonality, and M&A. The recent depreciation in the rupee (~5% in past 6M) acts as a near-term earnings tailwind, lending support to CY26/FY27 consensus estimates and mitigating continued revenue growth challenges emanating from multiple fronts, AI-driven budget reallocation, and shifting pricing/deal constructs. The NIFTY IT Index has underperformed the broader markets by ~16%/22% over 3M/6M, respectively, reflecting concerns around slowing growth, the evolving AI landscape, and the long-term sustainability of traditional IT Services business models. We lower target multiples for the Tier-1 cohort by ~10%, to account for growth headwinds, while retaining ratings across coverage companies (more details on page 5).

Softness expected in large caps; select mid-caps to continue delivering

IT Services firms are likely to begin FY27 on a softer footing, with continued caution around discretionary spending, slower decision-making, and tighter project-level ROI scrutiny. In addition, continued macro uncertainties are leading to prolonged decision-making and delays in deal closures, weighing on near-term growth. Cross currency is expected to have a marginal impact on reported USD revenue growth in 1Q. Tier-1 companies are expected to post CC revenue growth of -1.2% to 2.2%, while reported USD revenue growth would be pulled back by 10-30bps, given cross-currency headwinds. Tier-2 companies may see CC revenue growth of -0.5% to 4.3% (barring COFORGE at 22.4%, given the Encora contribution), with headwinds of 10-60bps on reported USD revenue. Among verticals, BFSI continues to show healthy growth trends, though some moderation is visible, while Manufacturing (especially Auto) remains soft. Growth trends across non-BFSI verticals, including Communication, Hi-tech, Retail, and Healthcare, remain mixed. ER&D players continue to face pressure due to weakness in Auto, though select segments of Industrial show some resilience. For FY27, we expect INFO to revise its CC revenue growth guidance to 2.0–4.0% YoY (factoring in Optimum acquisition; earlier 1.5-3.5%) with EBITM guidance of 20-22%. HCLT is likely to retain its revenue growth guidance of 1-4% CC and EBITM guidance of 17.5-18.5%. We expect WPRO to guide for -1% to 1% growth for 2QFY27E.

Rupee depreciation to support margins

We expect margin performance of our coverage companies to be a mixed bag in 1Q, influenced by factors such as weak rupee, wage hike (TCS, WPRO, LTM, ECLX), business-related seasonality, and M&As. Tier-1 players, except TCS and WPRO, are expected to log margin expansion sequentially. Mid-cap companies may see a wider margin fluctuation, ranging from -100bps to +40bps QoQ, except BSOFT, which would witness a decline of 310bps due to the absence of one-offs. Net hiring is likely to be muted.

Key monitorables

i) FY27 revenue/margin guidance and growth trajectory being front-ended or back-ended. ii) Management commentary on IT spending budgets for CY26. iii) Incremental AI spending vs reallocation of existing IT budgets. iv) Deal intake/pipeline. v) Pace of decision making and project deferment/cancellation. vi) Demand trends in key verticals such as BFSI, Retail, Manufacturing, HLS, Hi-Tech, and Communications. vii) Evolving pricing and commercial constructs. viii) Change in talent strategy and hiring plan owing to shift in skill requirements and productivity gains from AI. ix) Enterprise ability and willingness to adopt and deploy AI-tailored solutions across functions. x) Management perspective on the human+agent led delivery.

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Exhibit 1: India IT Services – Rating and target price

Company	CMP (Rs)	Market Cap ($ bn)	Target Price (Rs)	Rating	P/E (x)		EV/EBITDA (x)	
					FY27E	FY28E	FY27E	FY28E
TCS	2,032	80.3	2,600	ADD	13.1	12.6	8.7	8.3
INFO	1,000	44.5	1,350	BUY	12.9	12.1	7.6	7.0
HCLT	1,072	31.7	1,250	ADD	14.9	13.7	9.0	8.3
WPRO	170	18.4	200	REDUCE	12.4	12.1	7.2	6.9
TECHM	1,405	14.9	1,450	REDUCE	18.2	16.4	10.4	9.5
LTM	3,538	11.6	4,350	ADD	16.9	15.1	11.6	10.3
MPHL	2,169	4.5	2,500	ADD	19.6	17.7	11.7	10.6
COFORGE	1,466	7.0	1,700	BUY	26.1	21.5	13.3	11.3
PSYS	4,327	7.2	5,200	ADD	29.8	24.3	18.8	15.7
HEXT	515	3.4	575	BUY	21.9	18.3	12.3	10.5
LTTS	3,140	3.5	3,800	ADD	21.9	18.9	13.3	11.6
CYL	872	1.0	900	REDUCE	16.6	13.2	8.0	6.4
SSOF	268	0.8	340	BUY	14.3	11.7	9.1	7.5
BSOFT	286	0.9	350	ADD	12.6	11.7	6.1	5.3
FSOL	228	1.7	250	ADD	17.0	14.5	9.3	8.2
ECLX	1,322	1.3	1,700	BUY	15.8	13.3	9.3	7.5
ROUTE	518	0.3	775	BUY	9.0	8.2	3.0	2.3
QUESS	268	0.4	290	BUY	16.5	14.6	10.8	9.5
TEAM	1,446	0.3	1,800	BUY	16.2	12.8	11.4	8.5

Source: Company, Emkay Research

Structural transition to weigh on growth in medium term

The Indian IT services industry is experiencing a multi-layered demand reset, driven by cyclical softness and structural shifts in tech adoption. Discretionary spending remains under pressure, as enterprises prioritize cost optimization and defer non-essential programs amid macro uncertainty. Simultaneously, the emergence of AI is reshaping both demand composition and revenue realization models. While AI adoption is accelerating, its near-term impact is largely productivity-enhancing rather than revenue-expanding, resulting in pricing pressure and re-basing of service constructs. This, combined with longer sales cycles and cautious client behavior, is limiting the conversion of pipeline into revenue. As these dynamics play out, we expect industry growth to remain below long-term averages until AI-led programs scale meaningfully and macro visibility improves.

Engagements broadening beyond conventional deal wins

The quarter saw a mix of large deal wins and broader strategic engagements. PSYS-US based global tech ($650mn; 6.5Y), LTM-Randstad ($55-60mn; 5Y), WPRO-Olam Group (>$1bn; 8Y), and TCS-Canada Life/Siemens Energy/M&S were among the key deal wins this quarter. The nature of the announcements potentially reflects a shift in enterprise relationships from discrete outsourcing contracts toward broader, long-term strategic partnerships.

M&A continues to be a lever of growth and capability enhancement

In our 4QFY26 preview note, we highlighted the acceleration in M&A activity across the IT Services sector, and the trend has continued through 1QFY27. While acquisitions have historically been centered on niche digital capabilities, the latest wave reflects a broader strategic shift toward acquiring scale, expanding into new markets, and strengthening client franchise. Against the backdrop of moderating organic growth and rising AI investments, Indian IT Services companies are increasingly using M&A to accelerate capability build-out across AI, cloud, engineering, and data; strengthen vertical expertise; expand nearshore and delivery capabilities; and gain access to marquee clients. Recent transactions such as PSYS–Nagarro, LTM-Randstad, WPRO-Mindsprint, and CYL-Tao Digital underscore this shift from capability-led tuck-ins toward larger, transformational acquisitions aimed at strengthening long-term competitive positioning. We believe the sector is entering a new phase of consolidation, where M&A is increasingly being used not just to fill capability gaps, but to reshape geographic exposure, vertical mix, and AI-led engineering capabilities at a pace that would be difficult to achieve organically.

Exhibit 2: Transactions undertaken during the quarter

Company	Acquired entity	Date of announcement	Stake	Consideration amount	Rationale
Persistent	Nagarro	Jun-26	NA	EUR1.3bn	The acquisition strengthens its European footprint, enhances AI-led engineering capabilities, and creates a more balanced revenue mix across clients, verticals, geographies, and offerings. With limited client overlap, Nagarro complements PSYS's existing portfolio while expanding the combined entity's TAM to over $1.4trn.
LTM	Randstad's IT Services business in Europe and Australia	May-26	NA	EUR160mn	Adds scale (~$500mn/EUR469mn revenue, ~2,900 billable employees) and direct presence in Europe and Australia across regulated, high-growth verticals—Aerospace and Defense, Automotive, Utilities, and BFSI—where LTM had limited reach. Brings local domain depth plus nearshore/onshore delivery in Romania and Portugal, letting LTM pair its global AI-centric capabilities with sovereign-compliant local delivery. Anchored by a broader 360° partnership: a 5Y IT services deal to transform Randstad's India GCC plus a talent MSP arrangement, giving LTM revenue visibility and a diversified portfolio aligned to its 5Y strategy.
Cyient	Tao Digital	May-26	100%	$218mn	Plugs capability gaps in AI-native data and digital/product engineering, accelerating Cyient's pivot from project-based ER&D toward larger, multi-year, multi-tower annuity deals and end-to-end AI-led transformation programs. Deepens North America footprint and strengthens Automotive, Hi-Tech, and HealthTech verticals, while opening cross-sell into Cyient's installed base (momentum expected in years 2–3). The management guides for the deal to be EPS-accretive post integration costs; debt-funded, with servicing largely covered by the target's own FCF.
Hexaware	Consulting Professionals Services (CPS)	May-26	NA	GBP6mn (upfront) + GBP5mn (performance linked)	Hexaware has an existing relationship with this FTSE 100 client, and is one of the top service providers. The acquisition of CPS is expected to consolidate client spend, strengthening Hexaware's strategic positioning within the client's consolidated supplier landscape.
Wipro	Mindsprint (Olam Group's IT services arm)	Apr-26	NA	$375mn	Anchors an 8Y, >$1bn strategic transformation engagement with Olam ($800mn committed spend), giving Wipro strong long-term revenue visibility from a captive anchor client. Builds genuine domain capability in food and agribusiness, supply chain, and commodity trading – a specialized vertical where Wipro can now deploy its Wipro Intelligence AI suite. Adds 3,200+ employees and a ready client base spanning the US, APAC, and Middle East.
Wipro	Alpha Net Consulting	Apr-26	100%	$70.8mn	A targeted business acquisition of in-flight customer contracts and their delivery teams – buying immediate access to key (largely North American) clients and live engagements rather than building those relationships organically. Augments Wipro's AI-powered, consulting-led application services (data engineering, managed services, app development). Acquired contracts generated ~$37.3mn revenue in 2025, with part of the payout earnout-linked to de-risk integration.
TechM	Alluri Technologies (Avant)	Apr-26	85%	CAD28mn	Strengthens BFSI capabilities in North America, specifically payments modernization and wealth management platforms. Positions TechM to capture financial-institution modernization spend at a time when the sector is balancing growth with rapid digital transformation. Adds ~240 specialists and ~CAD58.6mn of CY25 revenue; phased structure (85% now, full ownership by Jun-29) aligns retention with payout; this is the first transaction under the leadership of CEO Mohit Joshi.
Mphasis	Theory and Practice (TAP)	Apr-26	100%	CAD10mn (upfront) + CAD20mn (contingent)	Adds a higher-value decision intelligence layer to Mphasis's NeoIP platform via TAP's Continuum AI (causal modeling, optimization, behavioral economics), moving the offering beyond task automation toward outcome-driven, agentic AI. Targets ~80% of enterprise AI spend; management expects to flow into 'business reimagine,' a segment Mphasis was underexposed to. Deepens Financial Services, Retail, and CPG verticals, and brings a specialized data-science/behavioral-economics team, with the founder joining to lead Decision AI.

Source: Company, Emkay Research

Exhibit 3: Specific comments from latest earnings calls by respective companies

Company	Key Insights
Accenture	• *Aspiration: To be the 'reinvention partner of choice' and the leader in widespread AI adoption.* • *AI Strategy: Moving clients from merely 'using AI' to 'running on AI,' with 100 clients starting advanced AI projects this quarter.* • *Demand: Strong focus on the 'digital core' (cloud, data, security) as a prerequisite for AI. Launching 'Accenture Edge' to target a $240bn mid-market segment (revenue range: $300mn-$3bn).* • *Headwinds: Middle East conflict caused a $100mn revenue hit in 3Q; longer decision-making in EMEA.* • *Tailwinds: Record 104 clients with quarterly bookings over $100mn year-to-date. AI is viewed as a catalyst for growth and efficiency.*
Capgemini	• *Aspiration: To be the leading outcome-centric transformation partner in the 'agentic era'.* • *AI Strategy: Management views agentic AI as a 'step change' rather than just a new wave. Identifying five value pools: modernization, new tech stack, control plane, agentic products, and intelligent operations.* • *Spending: Estimates the services market will expand by €400B to reach €1.9trn by 2030, capturing operational budgets historically outside of IT.* • *Headwinds: 'AI compression' (efficiency gains) is viewed as a transitory headwind net-neutralized by market expansion through 2030.* • *Tailwinds: AI is expected to be a net incremental tailwind to growth. Entering a 'multi-year modernization super cycle'.*
Cognizant	• *Aspiration: Evolving from a system integrator to the world's 'permanent AI builder'.* • *AI Strategy: Focusing on bridging the 'AI velocity gap' between infrastructure spend and value realization. 40% of the firm's code is now AI-assisted.* • *Demand: High momentum in 'legacy debt takeout,' such as refactoring mainframe code at $1.50/line compared to $10 previously. Q1 bookings grew 21%.* • *Headwinds: Softening demand environment and heightened macroeconomic uncertainty since the start of 2026.* • *Tailwinds: Significant large deal momentum (seven deals >$100mn, one >$500mn). 'Project Leap' designed to save $200mn–$300mn to fund AI investments.*
EPAM	• *Aspiration: To be the 'go-to partner for enterprise AI transformation'.* • *AI Strategy: Utilizing a 'client-zero' mentality to engineer a new operating model blending human talent with agentic systems. Partnership with Anthropic targets 10,000 certified architects by year-end.* • *Spending: Pure AI revenues grew ~20% sequentially to >$125M (tracking toward $600mn annual target). Clients are shifting budgets toward AI-native deployments.* • *Headwinds: Lower visibility in the second half due to macro uncertainty and delayed decision-making, particularly in North America.* • *Tailwinds: Accelerating large deal pipeline for AI-enabled vendor consolidations. Pure AI-native business is structurally more profitable than the corporate average.*
Globant	• *Aspiration: Leading the 'agentic transformation' where AI agents are supervised by humans drive services. Championing 'services as the new software'.* • *AI Strategy: Focused on 'model independence' (routing across 140+ models) and 'token sovereignty' for client data privacy. AI is present in 100% of the project pipeline.* • *Demand: Three pools of demand: technical debt ($2tn TAM), experience debt, and agentic process transformation.* • *Headwinds: Middle East volatility impacting the New Markets region; aviation sector pressure from fuel prices.* • *Tailwinds: Revenue per employee grew 8% to over $90,000. AI Pods (ARR $32.8mn) carry structurally higher gross margins. AI Pods business has a $352mn pipeline.*

Source: Company, Emkay Research

Earnings revisions and valuations

ACN's revenue growth clocked closer to the midpoint of its guidance in 3QFY26. Growth in 3Q was impacted by the ME conflict, resulting in a ~$100mn revenue impact and ~$400mn sales impact, driven by weaker discretionary spending and slower decision-making. This has lowered the midpoint of revenue growth guidance to 3.5% for FY26 (vs 4% earlier).

ACN's commentary was slightly negative, as moderating 4Q guidance, lowering of mid-point of FY26 guidance, softer deal bookings (down 3% YoY in LC), and right-shifting of a couple of large managed services deals into FY27 point to near-term growth pressure amid a challenging macro backdrop. The management indicated that AI is not expanding client budgets, with spending largely being reallocated, challenging the near-term 'AI lifts the wallet' thesis. Clients are increasingly shifting toward ready-to-deploy solutions, creating opportunities in embedded expertise, data-led offerings, and IP/platform-based models. ACN is, therefore, pursuing a 'build, buy, and partner' strategy while allocating more capital toward higher-growth, non-FTE, product- and platform-led areas where Indian peers remain underpenetrated. Accenture Edge, targeting companies in the $300mn-3bn revenue segment, could pose a challenge for Indian players that cater to this mid-market client base, as ACN brings enterprise-grade scale, delivery quality, and strong ecosystem-led pull-through.

We have revised our earnings estimates for our IT universe, factoring in the FY26 annual report data (for companies that have published their AR so far), continued weak discretionary spending environment, cross currency movement, and INR/USD assumptions (93.4/94/95 for FY27E/FY28E/FY29E, respectively).

We have lowered our target multiple for Tier-1 companies by ~10% (INFO/TCS/HCLT/TECHM to 16x, WPRO to 14x, LTM to 18x), PSYS to 28x, SSOFT to 14x, BSOFT to 14x, ECLX to 16x, and ROUTE to 12x, considering continued cuts in revenue forecasts in constant currency, macro uncertainty, advances in AI, and revision in growth/margin expectations. Stability in revenue growth trajectory is taking longer than our earlier expectations. We have raised our target multiple to 24x for COFORGE, factoring in continued strong execution and steady delivery. We retain ratings across our coverage companies and roll forward our TP to Jun-28E across our IT coverage companies.

The NIFTY IT index has underperformed the broader markets by ~16%/22% over 3M/6M, respectively, driven by concerns over slower revenue growth, evolving AI narrative, and questions around sustainability of the business model, partially offset by rupee depreciation.

We prefer mid-caps, given better growth visibility. Our pecking order is INFO, LTM, TCS, HCLT, TECHM, and WPRO among large caps. Among mid-caps, we prefer COFORGE, HEXT, MPHL, and PSYS.

Exhibit 4: Jun-26 quarterly estimates for IT Services companies under our coverage

Company	Revenue	Revenue growth (%)		EBIT	EBITM	EBITM change (bps)		Net profit	Net profit growth (%)		Cross currency impact (bps)	Constant currency growth QoQ (%)
	($ mn)	QoQ	YoY	(Rs mn)	(%)	QoQ	YoY	(Rs mn)	QoQ	YoY		
TCS	7,636	0.2	2.9	176,635	24.4	(90)	(10)	138,447	0.9	8.5	(30)	0.5
INFO	5,147	2.1	4.2	102,815	21.1	10	30	76,972	(9.5)	11.2	(10)	2.2
HCLT	3,644	(1.0)	2.8	59,365	17.2	60	90	45,308	1.0	17.9	(10)	(0.9)
WPRO	2,615	(1.4)	1.1	41,086	16.5	(80)	40	34,305	(2.0)	3.0	(20)	(1.2)
TECHM	1,642	1.1	5.0	22,321	14.3	50	330	16,402	21.3	45.8	(10)	1.2
LTM	1,229	0.5	6.5	17,848	15.3	20	100	14,156	1.7	12.9	(20)	0.7
MPHL	473	2.3	8.2	6,766	15.3	(10)	0	5,242	2.8	18.7	(10)	2.4
COFORGE	598	22.2	38.1	8,923	15.7	(80)	380	5,708	(14.3)	64.8	(20)	22.4
PSYS	450	3.2	15.5	7,031	16.5	20	90	5,153	(2.6)	21.3	(30)	3.5
HEXT	405	4.2	6.0	5,102	13.3	0	320	3,715	5.7	(2.2)	(10)	4.3
LTTS	308	0.8	(8.1)	4,552	15.6	40	230	3,589	8.1	13.7	(60)	1.4
CYL	165	0.9	1.4	1,711	8.5	(100)	(100)	1,200	(3.6)	(22.0)	(10)	1.0
SSOF	82	(0.2)	0.5	1,767	6.3	(100)	180	1,340	(17.3)	22.5	(20)	0.0
BSOFT	144	(0.6)	(4.2)	1,916	14.0	(310)	320	1,637	(7.0)	53.8	(10)	(0.5)
FSOL	290	2.3	11.8	3,345	12.3	10	100	2,255	9.9	33.2	(10)	2.4
ECLX	126	3.3	15.8	2,333	20.1	(100)	50	1,802	(4.8)	27.2	(10)	3.4

Source: Company, Emkay Research, Note: USD revenue for Wipro pertains to the IT Services segment; for Sonata, it relates to the International IT Services segment.

Exhibit 5: Foreign exchange movement during the quarter

Particulars	INR/USD	INR/GBP	INR/EUR	USD/GBP	USD/EUR	JPY/USD	USD/AUD	USD/CAD
High	96.80	129.60	112.30	1.40	1.20	161.90	0.70	1.40
Low	92.60	122.90	107.30	1.30	1.10	156.40	0.70	1.40
Avg Rate	94.60	126.90	110.00	1.30	1.20	159.40	0.70	1.40
Qoq chg	3.3%	2.9%	2.7%	-0.5%	-0.7%	1.6%	2.2%	0.9%
Yoy chg	10.5%	11.0%	13.2%	0.4%	2.4%	10.3%	10.7%	0.1%
Last date closing	94.40	124.50	107.30	1.30	1.10	161.80	0.70	1.40
Qoq chg	-0.4%	-0.6%	-1.6%	-0.3%	-1.6%	1.9%	0.1%	2.1%
Yoy chg	10.1%	6.0%	6.7%	-3.9%	-3.5%	12.3%	5.0%	4.4%

Source: Bloomberg, Emkay Research

Exhibit 6: Latest guidance by the management of global IT Services companies

Company	Year end	Current revenue guidance	Earlier revenue guidance
Accenture	Aug	FY26: 3-4% in local currency (organic 1.5-2.5%)	FY26: 3-5% in local currency (organic 1.5-3.5%)
Capgemini	Dec	CY26: 6.5-8.5% CC (4.5-5% contribution from M&A, incl WNS)	CY26: 6.5-8.5% CC (4.5-5% contribution from M&A, incl WNS)
Cognizant	Dec	FY26: 4-6.5% CC (150bps M&A impact)	FY26: 4-6.5% CC (150bps M&A impact)
DXC	Mar	FY27: -5 to -3% organic	NA
Endava	Jun	FY26: -6% to -5%	FY26: -4.5% to -2.5%
EPAM	Dec	FY26: Organic CC 2.5-5%; overall 4-6.5%	FY26: Organic CC 3-6%; overall 4.5-7.5%
EXL	Dec	CY26: 10-12% on both CC and reported	CY26: 9-11% on both CC and reported
Firstsource	Mar	FY27: 10-13% CC (acquisition to add ~2-2.5%)	NA
Genpact	Dec	CY26: 6.8% CC (7% on reported basis)	CY26: 6.8% CC (7% on reported basis)
Globant	Dec	FY26: 0.3%-2.2% YoY (incl positive forex impact of 100bps)	FY26: 0.2-2.2% YoY (incl positive forex impact of 100bps)
HCLT	Mar	FY27: 1-4% CC for company-wide revenue; 1.5-4.5% CC for Services revenue	NA
Infosys	Mar	FY27: 1.5-3.5% in CC terms	NA
LTTS	Mar	FY27: Outpace the engineering and IT services industry	NA
Mphasis		FY27: High single-digit to low double-digit growth	NA
Salesforce	Jan	FY27: 10-11% in CC and YoY terms (includes ~3% Informatica contribution)	FY27: 10-11% in CC and yoy terms (includes ~3% Informatica contribution)
ServiceNow	Dec	CY26: Subscription revenue growth of 20.5-21% CC yoy (reported 22-22.5%)	CY26: Subscription revenue growth of 19.5-20% CC yoy (reported 20.5-21%)
Snowflake	Jan	FY27: Product revenue growth of 31%	FY27: Product revenue growth of 27%
Teleperformance	Dec	CY26: Like-for-like growth between 0% and +2%	CY26: Like-for-like growth between 0% and +2%

Source: Company, Emkay Research, Note: Indian IT companies have been highlighted in the table above

Exhibit 7: Change in estimates (revenue and margin)

Change in estimates	Revenue - New (Rs bn)			Revenue - Old (Rs bn)			Change			EBIT Margin - New (%)			EBIT Margin - Old (%)			Change (bps)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
TCS	2,888	3,021	3,174	2,873	3,053	-	0.5%	-1.1%	NA	25.0	25.0	25.0	25.0	25.0	-	-0	-0	NA
INFO	1,966	2,067	2,182	1,940	2,070	-	1.4%	-0.2%	NA	21.1	21.2	21.1	21.2	21.2	-	-12	-1	NA
HCLT	1,418	1,494	1,583	1,405	1,515	-	0.9%	-1.4%	NA	17.9	18.3	18.3	17.9	18.3	-	-5	-7	NA
WPRO	988	1,008	1,039	990	1,028	-	-0.1%	-2.0%	NA	16.9	17.0	17.0	16.8	16.9	-	6	2	NA
TECHM	623	655	691	614	655	-	1.5%	-0.1%	NA	14.5	14.9	14.9	14.5	14.9	-	-1	-3	NA
LTM	475	519	568	473	525	-	0.4%	-1.2%	NA	16.0	16.2	16.2	16.0	16.2	-	-4	-3	NA
MPHL	181	199	218	178	199	-	1.5%	0.0%	NA	15.3	15.4	15.3	15.3	15.4	-	2	-5	NA
COFORGE	250	288	326	249	288	-	0.1%	0.0%	NA	15.5	15.5	15.7	15.5	15.5	-	1	-	NA
PSYS	178	207	241	176	209	-	0.8%	-0.7%	NA	16.6	16.7	16.8	16.6	16.7	-	2	8	NA
HEXT	153	168	185	151	167	-	1.5%	0.5%	NA	13.3	14.1	14.2	13.4	14.2	-	-13	-10	NA
LTTS	119	130	143	117	131	-	1.0%	-0.6%	NA	15.9	16.5	16.5	15.9	16.5	-	1	-5	NA
CYL	84	93	103	84	93	-	0.2%	0.0%	NA	9.4	10.9	11.5	9.3	10.9	-	1	-	NA
SSOF	110	124	139	110	124	-	0.2%	-0.3%	NA	6.3	6.5	6.6	6.3	6.5	-	3	-4	NA
BSOFT	55	58	62	54	59	-	0.6%	-1.0%	NA	13.6	13.5	13.5	13.6	13.5	-	1	-2	NA
FSOL	111	122	135	110	122	-	1.3%	-0.2%	NA	12.5	12.8	13.0	12.5	12.8	-	-2	1	NA
ECLX	49	57	65	49	57	-	0.0%	-0.1%	NA	21.5	21.4	21.4	21.5	21.4	-	3	5	NA
ROUTE	46	49	51	46	49	-	0.0%	0.0%	NA	9.8	9.8	9.9	9.8	9.8	-	-	-	NA
QUESS	168	188	188	168	188	-	0.0%	0.0%	NA	2.1	2.1	2.1	2.1	2.1	-	-	-	NA
TEAM	128	151	171	134	157	-	-4.0%	-4.2%	NA	1.4	1.5	1.4	1.4	1.5	-	6	1	NA

Source: Company, Emkay Research; Note: FY27E corresponds to CY26E for HEXT and so forth

Exhibit 8: Change in estimates (EPS, target multiple, and target price)

Change in estimates	EPS – New (Rs)			EPS – Old (Rs)			Change in EPS			Rating		Target multiple (x)		Target price (Rs)	
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	Old	New	Old	New	Old	New
TCS	152.8	161.8	170.1	153.5	163.6	-	-0.5%	-1.1%	NA	ADD	ADD	18	16	2,950	2,600
INFO	77.4	82.7	88.0	77.0	83.0	-	0.4%	-0.3%	NA	BUY	BUY	18	16	1,450	1,350
HCLT	72.1	78.3	83.3	72.0	79.9	-	0.1%	-2.0%	NA	ADD	ADD	18	16	1,450	1,250
WPRO	13.7	14.1	14.6	13.7	14.3	-	0.2%	-1.7%	NA	REDUCE	REDUCE	15	14	210	200
TECHM	77.2	85.7	91.3	76.8	85.3	-	0.5%	0.4%	NA	REDUCE	REDUCE	17	16	1,450	1,450
LTM	209.2	234.9	259.8	210.2	237.9	-	-0.5%	-1.2%	NA	ADD	ADD	20	18	4,700	4,350
MPHL	110.5	122.4	134.8	108.0	123.4	-	2.3%	-0.8%	NA	ADD	ADD	20	20	2,500	2,500
COFORGE	56.2	68.3	81.4	55.4	68.2	-	1.3%	0.0%	NA	BUY	BUY	22	24	1,550	1,700
PSYS	145.0	178.3	208.5	144.8	178.8	-	0.1%	-0.2%	NA	ADD	ADD	30	28	5,200	5,200
HEXT	23.6	28.1	31.8	23.5	28.1	-	0.4%	-0.3%	NA	BUY	BUY	20	20	575	575
LTTS	143.2	165.9	184.5	143.8	168.5	-	-0.4%	-1.5%	NA	ADD	ADD	22	22	3,800	3,800
CYL	52.7	66.2	77.5	52.5	66.2	-	0.3%	0.0%	NA	REDUCE	REDUCE	12	12	900	900
SSOF	18.7	22.8	27.3	18.6	23.1	-	0.7%	-0.9%	NA	BUY	BUY	16	14	370	340
BSOFT	22.7	24.4	26.5	22.6	24.6	-	0.6%	-0.9%	NA	ADD	ADD	16	14	400	350
FSOL	13.5	15.7	18.1	13.3	15.7	-	1.2%	-0.2%	NA	ADD	ADD	16	16	250	250
ECLX	83.4	99.5	118.8	83.3	99.3	-	0.2%	0.1%	NA	BUY	BUY	18	16	1,800	1,700
ROUTE	57.3	63.0	69.1	57.3	63.0	-	0.0%	0.0%	NA	BUY	BUY	14	12	900	775
QUESS	16.2	18.3	18.3	16.2	18.3	-	0.0%	0.0%	NA	BUY	BUY	NA	NA	290	290
TEAM	89.2	112.9	121.6	88.7	116.6	-	0.6%	-3.2%	NA	BUY	BUY	NA	NA	1,800	1,800

Source: Company, Emkay Research; Note: FY27E corresponds to CY26E for HEXT and so forth

Exhibit 9: Valuation summary

Company	CMP (Rs)	Mkt Cap ($ bn)	Promoter Holding (%)	ADTV 6M ($ mn)	Target Price (Rs)	Rating	P/E (x)				EV/EBITDA (x)				RoE (%)			
							FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
TCS	2,032	77.7	72	116.4	2,600	ADD	14.9	13.1	12.6	11.9	9.5	8.7	8.3	7.9	51.2	49.8	49.2	49.1
INFO	1,000	42.9	14	179.4	1,350	BUY	13.8	12.9	12.1	11.4	8.6	7.6	7.0	6.4	32.1	31.9	30.9	29.9
HCLT	1,072	30.7	61	55.0	1,250	ADD	17.5	14.9	13.7	12.9	10.0	9.0	8.3	7.8	24.0	25.7	27.3	28.4
WPRO	170	17.8	73	47.2	200	REDUCE	13.5	12.4	12.1	11.6	7.5	7.2	6.9	6.6	15.7	16.5	17.9	18.0
TECHM	1,405	14.5	35	38.0	1,450	REDUCE	25.9	18.2	16.4	15.4	12.8	10.4	9.5	8.8	17.6	22.5	23.6	23.8
LTM	3,538	11.1	69	19.2	4,350	ADD	20.9	16.9	15.1	13.6	13.6	11.6	10.3	8.7	23.2	24.0	23.4	22.5
MPHL	2,169	4.4	31	14.6	2,500	ADD	22.2	19.6	17.7	16.1	13.4	11.7	10.6	9.5	18.6	18.9	19.5	20.0
COFORGE	1,466	6.9	-	51.9	1,700	BUY	31.6	26.1	21.5	18.0	15.9	13.3	11.3	9.6	22.4	13.4	10.2	11.3
PSYS	4,327	7.2	30	41.1	5,200	ADD	36.6	29.8	24.3	20.7	23.4	18.8	15.7	13.7	27.3	26.6	27.4	29.7
HEXT	515	3.3	74	5.6	575	BUY	23.7	21.9	18.3	16.2	15.9	12.3	10.5	9.3	25.4	21.6	22.5	22.9
LTTS	3,140	3.5	74	5.5	3,800	ADD	26.0	21.9	18.9	17.0	15.8	13.3	11.6	10.3	20.7	22.0	22.7	22.7
CYL	872	1.0	23	4.3	900	REDUCE	22.6	16.6	13.2	11.2	8.6	8.0	6.4	5.4	9.7	10.0	12.6	13.7
SSOF	268	0.8	28	5.3	340	BUY	16.2	14.3	11.7	9.8	10.4	9.1	7.5	6.1	28.8	25.2	25.9	25.9
BSOFT	286	0.8	40	5.7	350	ADD	15.4	12.6	11.7	10.8	6.2	6.1	5.3	4.5	14.7	14.7	14.4	14.3
FSOL	228	1.7	54	8.8	250	ADD	23.6	17.0	14.5	12.6	11.2	9.3	8.2	7.2	18.2	20.3	21.2	21.9
ECLX	1,322	1.3	55	5.1	1,700	BUY	18.4	15.8	13.3	11.1	11.7	9.3	7.5	6.1	29.0	29.0	27.6	26.2
ROUTE	518	0.3	75	1.8	775	BUY	13.7	9.0	8.2	7.5	3.5	3.0	2.3	1.6	14.4	12.5	12.6	12.6
QUESS	268	0.4	57	1.6	290	BUY	18.1	16.5	14.6	13.7	12.0	10.8	9.5	8.7	20.4	20.2	21.6	21.7
TEAM	1,446	0.3	31	0.5	1,800	BUY	17.4	16.2	12.8	11.9	13.7	11.4	8.5	7.3	14.9	13.9	16.7	15.4

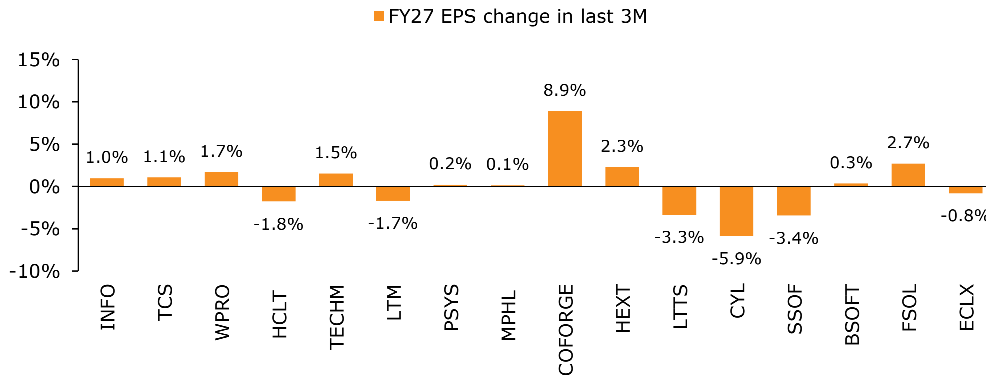
Source: Company, Bloomberg, Emkay Research, Note: FY26 corresponds to CY25 for HEXT and so forth

Exhibit 10: Price performance

Index/Stock	CMP (Rs)	Return					Outperformance/Underperformance wrt Nifty				
		1M	3M	6M	1Y	3Y	1M	3M	6M	1Y	3Y
NIFTY 50	23,866	1%	7%	-9%	-6%	24%					
NIFTY IT	26,299	-10%	-10%	-31%	-32%	-11%	-11%	-16%	-22%	-26%	-35%
TCS	2,032	-10%	-14%	-36%	-40%	-38%	-11%	-21%	-27%	-34%	-63%
INFO	1,000	-14%	-20%	-38%	-38%	-25%	-15%	-27%	-29%	-31%	-49%
WPRO	1,072	-9%	-20%	-34%	-38%	-10%	-11%	-27%	-25%	-32%	-34%
HCLT	170	-17%	-9%	-35%	-36%	-12%	-18%	-16%	-27%	-29%	-37%
TECHM	1,405	-5%	1%	-12%	-17%	24%	-7%	-5%	-3%	-10%	0%
LTM	3,538	-13%	-12%	-42%	-33%	-32%	-14%	-19%	-33%	-27%	-56%
MPHL	2,169	-4%	6%	-22%	-24%	14%	-6%	-1%	-14%	-17%	-10%
PSYS	1,466	3%	31%	-12%	-24%	56%	2%	25%	-3%	-17%	31%
COFORGE	4,327	-17%	-11%	-31%	-28%	73%	-18%	-18%	-22%	-22%	48%
HEXT	515	1%	21%	-33%	-39%	-32%	0%	14%	-24%	-33%	-57%
LTTS	3,140	-9%	1%	-30%	-29%	-20%	-10%	-6%	-21%	-22%	-45%
CYL	872	-4%	16%	-22%	-32%	-42%	-5%	9%	-13%	-26%	-66%
SSOF	268	1%	28%	-26%	-35%	-47%	0%	21%	-17%	-28%	-71%
BSOFT	286	-10%	-14%	-34%	-34%	-20%	-12%	-21%	-25%	-27%	-45%
FSOL	228	-13%	12%	-32%	-39%	79%	-14%	5%	-23%	-33%	55%
ECLX	1,322	-12%	-4%	-44%	-24%	63%	-13%	-11%	-35%	-18%	39%
ROUTE	518	2%	25%	-26%	-49%	-67%	1%	18%	-18%	-43%	-92%
QUESS	268	28%	60%	32%	-10%	22%	27%	53%	41%	-4%	-3%
TEAM	1,446	5%	28%	-7%	-29%	-42%	3%	21%	2%	-22%	-66%

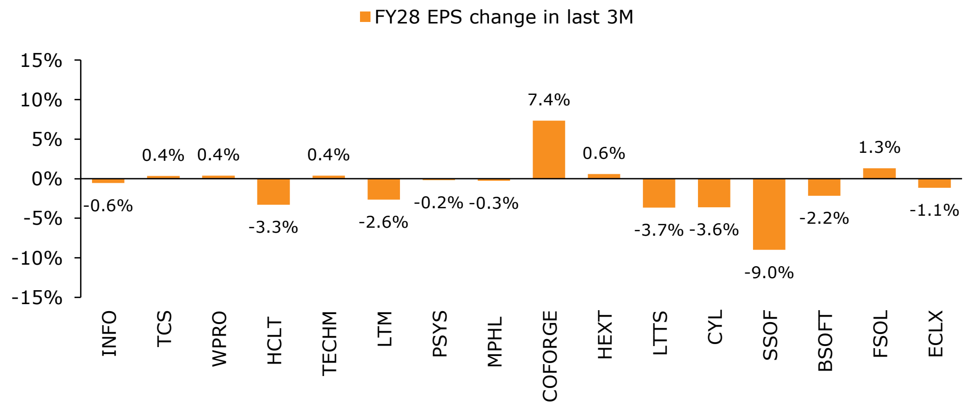
Source: Bloomberg, Emkay Research

Exhibit 11: Consensus estimates (FY27 EPS) – Changes in the past 3M



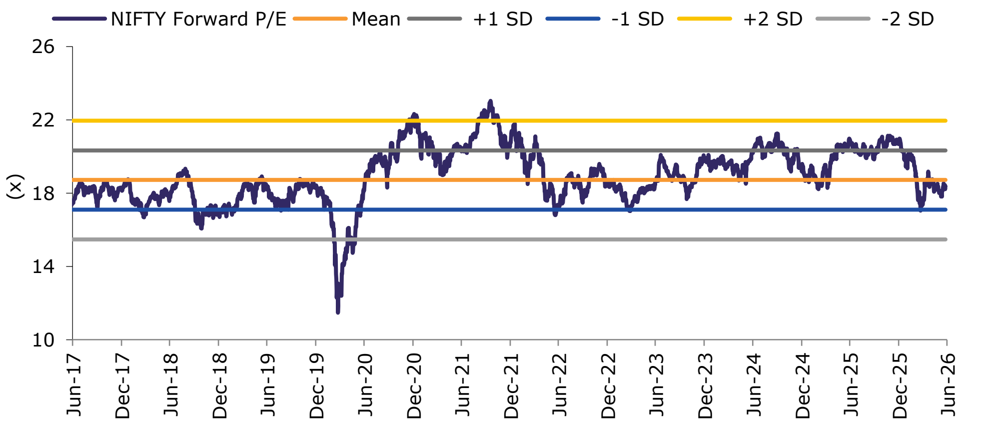
Source: Bloomberg, Emkay Research

Exhibit 12: Consensus estimates (FY28 EPS) – Changes in the past 3M



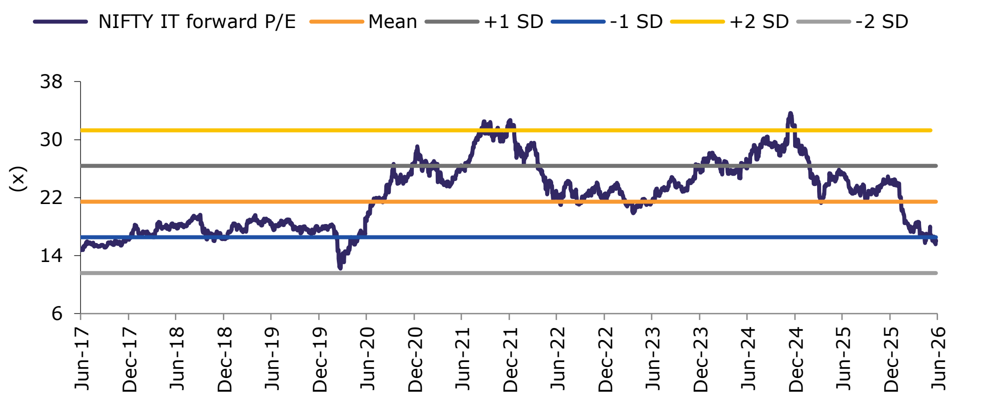
Source: Bloomberg, Emkay Research

Exhibit 13: NIFTY – One-year forward P/E is currently approaching its mean levels



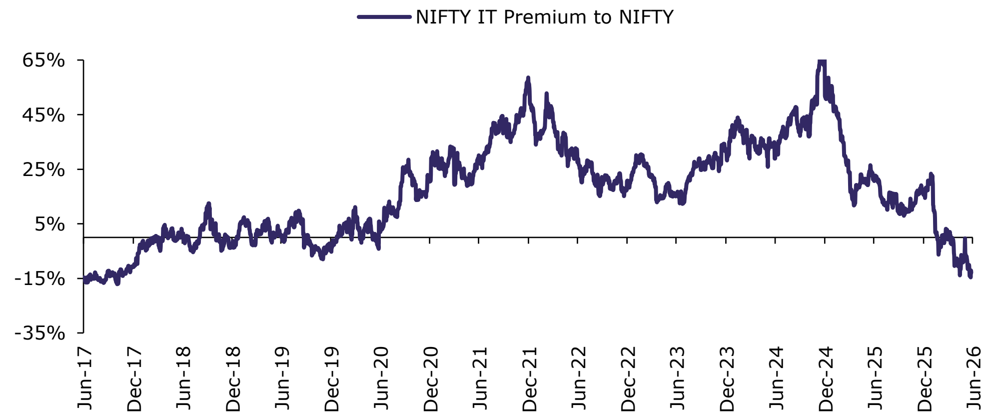
Source: Bloomberg, Emkay Research

Exhibit 14: NIFTY IT – One-year forward P/E is currently trading below its mean -1SD



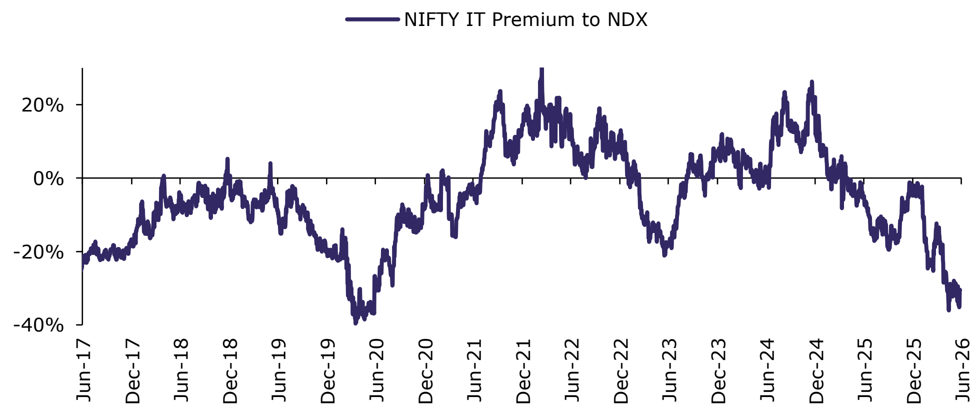
Source: Bloomberg, Emkay Research

Exhibit 15: NIFTY IT's valuation premium wrt the NIFTY has dropped sharply in the past 3M



Source: Bloomberg, Emkay Research

Exhibit 16: NIFTY IT's valuation discount wrt the NDX is recovering after a steep fall in the past couple of months



Source: Bloomberg, Emkay Research

Exhibit 17: Deals signed during Q1FY27…

Announced Date	Customer	Company	Deal Size	Deal Duration	Geography	Deal Structure
6-Apr-26	Olam Group	Wipro	Exceed $1bn (committed $800mn)	8 years	Singapore	Wipro has secured a multi-year strategic transformation deal with Olam Group. This 8-year deal is expected to exceed $1bn in contract value, with a committed spend of $800mn. As part of the engagement, Wipro will partner in an end-to-end transformation through a consulting-led and AI-powered approach. The engagement will draw on Wipro's industry expertise, partnerships with leading technology providers, and Wipro Intelligence, its unified suite of AI-powered platforms, solutions, and transformative offerings. Together, these capabilities will help strengthen Olam Group's core operations and support the creation of a sustainable competitive advantage. As part of this broader engagement, Wipro will acquire Mindsprint, Olam Group's IT services arm.
9-Apr-26	Marks & Spencer (M&S)	TCS	Not disclosed	Not disclosed	UK	TCS announced the renewal of its major, multi-year strategic partnership with Marks & Spencer (M&S). This continuing engagement builds on the more than a decade long trusted partnership between the two organizations and will see TCS continue to serve as M&S's strategic technology partner as the retailer embeds its technology transformation. As part of this continuing partnership, TCS will support M&S as it transforms to become an omnichannel, data-driven retailer, supported by globally best-in-class modern technologies. TCS will utilize AI in its transformation approach—supported by its extensive domain expertise and one of the world's largest AI talent pools. This will support future-readiness, provide the right base for long term growth, and create superior customer experience.
17-Apr-26	Global energy major	LTTS	Not disclosed	Not disclosed	Not disclosed	LTTS is partnering with a leading global energy major to be its engineering services and technology partner for its Digital Expertise centre in India for supporting close to 500 engineers.
27-Apr-26	Siemens Energy AG	TCS	Not disclosed	Not disclosed	Germany / India	TCS signed two Memorandums of Understanding (MoUs) with Siemens Energy AG and Siemens Energy India, strengthening the strategic collaboration between these companies across IT services, digital, and industrial AI initiatives, data centers, and other emerging technologies. Through the partnership, TCS and Siemens Energy AG will drive innovation, operational resilience, and sustainable growth in energy technology. TCS and Siemens Energy AG's partnership seeks to accelerate AI-led industrial transformation and build sustainable, resilient digital infrastructure. Combining TCS' AI, data, and engineering capabilities with Siemens Energy AG's expertise in power generation, electrification, and grid technologies, the collaboration will advance intelligent operations and next-generation energy solutions. As part of the partnership, Siemens Energy India will support TCS's HyperVault business to address the growing and complex energy demands of AI-ready data centres in India.
12-May-26	Emerson	LTTS	Not disclosed	Not disclosed	USA	LTTS announced a strategic global partnership with Emerson, a global automation leader and provider of advanced test and measurement solutions. Under this engagement, LTTS will serve as a global System Integrator and technology development partner, supporting the design, deployment, and lifecycle enablement of advanced systems engineering platforms across industries. The partnership also introduces joint engagement approaches for customer projects, positioning LTTS as a key system integration partner for the NI test platform. The collaboration will focus on product engineering and solution development tailored for multiple sectors including Industrial, Transportation, Semiconductors, and Aerospace and Defense where system performance, resilience, and sustainability are critical.

Source: Company, Emkay Research

Exhibit 18: ...(contd)...Deals signed during Q1FY27...

Announced Date	Customer	Company	Deal Size	Deal Duration	Geography	Deal Structure
22-May-26	Randstad	LTM	$55-60mn	5 years	Europe	LTM has issued an offer to acquire Randstad's Technology and Consulting Services business in Europe and Australia for an enterprise value of EUR160mn (~0.3x EV/S). As part of this transaction, LTM and Randstad will enter a strategic partnership, comprising 1) LTM's offer to acquire Ranstand's technology and consulting services business in Europe and Australia with revenue of EUR469mn, and serving clients across Aerospace and Defense, Automotive, Utilities (including Telecom), and BFS; 2) a 5Y IT Services partnership – AI-enabled transformation of Randstad's India GCC with initial TCV scope of $55-60mn; and 3) a strategic talent MSP partnership to support LTM's global workforce expansion.
25-May-26	SSP Group	LTM	Not disclosed	Not disclosed	UK	LTM entered a strategic partnership with SSP Group, a leading operator of food and beverage outlets in travel locations worldwide. Through this AI-powered partnership, LTM will deliver modernized, end-to-end IT infrastructure support and enhanced application maintenance services to SSP Group. As part of this engagement, LTM will leverage its advanced AI capabilities, including its BlueVerse ecosystem, to help SSP manage operational risks, simplify infrastructure and application complexities, and drive business efficiency and agility. Additionally, the collaboration will focus on enabling data-driven decision-making, accelerating innovation through automation, delivering scalable solutions that enhance customer experience, and driving cost optimization through AI automation and simplification.
27-May-26	SKF	TCS	Not disclosed	Not disclosed	Sweden	TCS entered into a strategic partnership with SKF to accelerate intelligent transformation across its global operations. Through this collaboration, TCS will enable SKF to build a future-ready digital enterprise, leveraging AI to reimagine the industrial manufacturing business. As part of the engagement, TCS will provide end-to-end managed services across applications, infrastructure, data, end-user services, security, and connectivity for SKF across the globe. Combining its deep manufacturing and IT expertise with AI-led agentic workflows, TCS will modernize and simplify the global technology landscape. The program will also standardise operations, strengthen domain-led technology architecture, modernize core infrastructure, and accelerate the design and adoption of a next-generation Enterprise Resource Planning platform.
02-Jun-26	DNB Bank ASA	Infosys	Not disclosed	Not disclosed	Norway	Infosys announced the expansion of its strategic collaboration with DNB Bank ASA (DNB), Norway's largest bank, to modernize its Financial Crime (FinCrime) operations using the NICE Actimize X-Sight Enterprise platform. Through this engagement, Infosys will help DNB transform fragmented, legacy systems into a unified, intelligence-driven, cloud-native platform that enhances risk insights, improves detection accuracy, and strengthens multi-jurisdiction regulatory compliance. As the systems integration partner, Infosys will, in collaboration with DNB, lead the end-to-end modernization of the bank's FinCrime technology landscape, including enterprise architecture design, platform integration, and data migration. It will consolidate key functions including customer and payment screening, customer due diligence, and transaction and fraud monitoring onto a single, scalable SaaS platform with unified enterprise case management.

Source: Company, Emkay Research

Exhibit 19: …(contd)…Deals signed during Q1FY27…

Announced Date	Customer	Company	Deal Size	Deal Duration	Geography	Deal Structure
03-Jun-26	Euroclear Sweden	TCS	Not disclosed	Not disclosed	Sweden	TCS announced the expansion of its long-standing partnership with Euroclear Group to drive the next phase of transformation for Sweden's Central Securities Depository (CSD). As part of this initiative, Euroclear Sweden will deploy TCS BaNCS for Market Infrastructure and Quartz, TCS' advanced digital solutions, to build a resilient, future-ready, and scalable CSD platform aligned to evolving European market standards. TCS BaNCS for Market Infrastructure will enable Euroclear to meet the evolving needs of financial market infrastructure institutions, supporting end-to-end operations across asset classes, including core registry, depository services, cross-border settlement, and asset servicing. Complementing this, TCS' Quartz will leverage distributed ledger technology and AI to support tokenized assets, decentralized settlements, and real-time, actionable insights.
03-Jun-26	HBSUK	Hexaware	Not disclosed	Not disclosed	UK	HBSUK and Hexaware Technologies announced a strategic collaboration to enhance HBSUK's workforce management proposition. With ~7.22mn people currently awaiting treatment within the NHS, healthcare providers face growing pressure to mobilize clinician and support workforce capacity quickly while maintaining strict regulatory checks and governance standards. Modernizing workforce onboarding processes has, therefore, become critical to helping healthcare organizations respond to rising patient demand and improve access to care. The new solution digitizes recruitment and onboarding through a secure portal where clinicians can submit credentials, identity documentation, and Right-to-Work evidence. While the platform introduces digital efficiency, HBSUK's dedicated compliance team continues to oversee the verification process to ensure the highest standards of accuracy and regulatory adherence.
04-Jun-26	Nokian Tyres	TCS	Not disclosed	Not disclosed	Finland	TCS announced a strategic partnership with Nokian Tyre PLC, a premium tire manufacturer headquartered in Finland. As part of the engagement, TCS will expand Nokian Tyres' use of AI across application management, development, and onsite support services. The collaboration will strengthen Nokian Tyres' IT operations by improving efficiency, resilience, and scalability. The AI-led transformation will accelerate the adoption of new ways of working, help address evolving business needs, and enable greater use of automation and data-driven services to drive long-term growth and agility in a rapidly evolving market. With AI-led and agentic automation embedded at the core of IT operations, the engagement will accelerate issue resolution, reduce operational cost, and strengthen resilience through unified digital infrastructure. TCS will deliver end-to-end application management services across Nokian Tyres' application landscape.
08-Jun-26	Canada Life	TCS	Multi-million euros	Multi-year	UK	TCS has signed a multiyear transformation and managed services agreement with Canada Life, a leading global life and pensions insurer. The partnership will support the modernization of Canada Life's IT infrastructure services across its European Businesses. As part of the agreement, TCS will leverage its AI & digital capabilities to modernize and manage Canada Life's data centres, core infrastructure, end-user computing, and software lifecycle management. The transformation will help improve operational resilience, increase automation, and enhance user experience for its customers.

Source: Company, Emkay Research

Exhibit 20: …(contd)…Deals signed during Q1FY27…

Announced Date	Customer	Company	Deal Size	Deal Duration	Geography	Deal Structure
11-Jun-26	IHH Healthcare	Infosys	Not disclosed	Multi-year	Malaysia and Singapore	Infosys announced a strategic collaboration with IHH Healthcare, one of the world's largest private healthcare providers, to drive a multi-year, enterprise-wide ERP transformation program. This collaboration will enable IHH to standardize and harmonize business processes in all its markets, starting with Hong Kong, Malaysia, and Singapore. It will help streamline operations, enhance agility and scalability, optimize costs, and strengthen regulatory compliance. The collaboration brings together Infosys's AI-first capabilities through Infosys Topaz, an AI-first offering powered by generative and agentic AI technologies, to embed intelligence into IHH's core business workflows. This approach will help IHH unlock AI-powered business value at scale
16-Jun-26	Tottenham Hotspur	TCS	Not disclosed	Not disclosed	UK	TCS announced a multi-year strategic partnership with Tottenham Hotspur Football Club. Under this engagement, TCS will serve as the Club's Digital Transformation Partner, delivering advanced solutions across fan engagement, club operations, and its broader digital ecosystem. Tottenham Hotspur is one of the UK's most prominent football institutions, with a substantial and loyal fan base across the globe. Its UEFA Europa League victory in the 2024–25 season underscores its ambition to compete at the highest levels while continuing to innovate beyond the pitch. As part of this partnership, TCS will leverage its industry-leading capabilities in Salesforce and Cybersecurity to support Tottenham Hotspur's digital operations. TCS will also enable advanced analytics and insights, while driving deeper fan engagement, helping the club harness data, modernize systems, and build a future-ready digital platform.
16-Jun-26	Valmet	Infosys	Not disclosed	Not disclosed	Finland	Infosys announced a strategic, long-term collaboration with Valmet, a global technology leader in serving process industries. As a part of this engagement, Infosys will modernize Valmet's core IT services and deliver end-to-end IT transformation to enhance operational efficiency and enable closer alignment between IT operations and business priorities. Through this collaboration, Infosys will focus on leveraging its extensive industry expertise and technology capabilities to align Valmet's IT ecosystem and services with its strategic business objectives, supporting the company's 'Lead the Way' strategy. This includes reducing operational costs, optimizing existing resources, and enabling proactive management of enterprise-wide IT operations, while strengthening a resilient, future-ready, and business-aligned IT foundation.
17-Jun-26	Elopak	TCS	Not disclosed	Multi-year	Norway	TCS announced a multi-year partnership with Elopak ASA, a global leader in paper-based packaging and filling equipment, operating in over 40 countries and serving customers in more than 70 markets. Under this partnership, TCS will be Elopak's strategic IT partner, leading the transformation and management of its global IT services through a process-centric operating model. This will help Elopak's IT operations to be better aligned with the business priorities, thereby improving agility, efficiency, and digital experience. Leveraging its AI-first approach, TCS will deploy advanced analytics and automation capabilities, including its proprietary Cognix – an AI-powered, future-ready service delivery suite of solutions built on its Machine First philosophy. The strategic IT program will support Elopak's strategy to modernize its end-to-end IT services. This include setting up an integrated service desk and upgrading key enterprise applications.

Source: Company, Emkay Research

Exhibit 21: …(contd)…Deals signed during 1QFY27…

Announced Date	Customer	Company	Deal Size	Deal Duration	Geography	Deal Structure
17-Jun-26	e.solutions	HCL Tech	Not disclosed	Not disclosed	Germany	HCLTech announced a multi-year strategic partnership with e.solutions, a Germany based automotive software specialist and part of Volkswagen Group, for the development of next-generation software-defined infotainment and connectivity solutions. The engagement will focus on scaling AI-enabled future infotainment and connectivity platforms built on Android Automotive, in line with the growing demand for connected, digital in-vehicle experiences. HCLTech will support the development, integration, and validation of production-grade human-machine interface (HMI) software for multiple vehicle programs, enabling consistent deployment across varied hardware platforms and global markets.
23-Jun-26	GlobalFoundries	Infosys	Not disclosed	Not disclosed	USA	Infosys announced an expanded multi-year collaboration with GlobalFoundries (GF), a leading semiconductor manufacturer, to deliver AI-led managed services across GF's enterprise IT landscape. Through this collaboration, Infosys will manage GF's end-to-end application, infrastructure, data and service desk operations. GF selected Infosys based on its proven track record as an incumbent technology provider and its deep semiconductor domain expertise. The engagement is designed to elevate GF's IT operations by transitioning from externally supported operations to a true managed services model driven by AI, automation, and continuous optimization.
23-Jun-26	Telefonica Germany	Tech Mahindra	Not disclosed	Multi-year	Germany	Tech Mahindra announced the expansion of its partnership with Telefónica Germany to build a next-generation private cloud platform to accelerate cloud-native transformation and to provide Platform-as-a-Service (Paas) for technology and enterprise business growth. The multi-year engagement will focus on enabling a scalable, open, and future-ready digital infrastructure foundation to modernize telecom and enterprise workloads.
24-Jun-26	Sentara	Infosys	Not disclosed	Not disclosed	USA	Infosys announced its strategic collaboration with Sentara, a leading not-for-profit healthcare organization, to create a scalable foundation for AI-driven transformation that aims to enhance efficiency, support clinicians and staff, and improve experiences for patients and members. As part of its AI-first approach, Infosys is leveraging Infosys Topaz Fabric, a purpose-built agentic services suite, which unifies infrastructure, models, data, applications, and workflows into a composable, agent-ready ecosystem, spanning AI strategy and road-mapping. The framework will allow Sentara to reference architectures, AI-first SDLC modernization, and govern scaling to embed AI across core hospital and enterprise workflows. This vision includes aligning AI initiatives to real-world healthcare priorities spanning care management, employee productivity, and digital front-office experiences.
24-Jun-26	Neste	HCL Tech	Not disclosed	Not disclosed	Finland	HCLTech announced that it has been selected as a strategic partner by Neste, the world's leading producer of sustainable aviation fuel and renewable diesel. The partnership is part of Neste's company-wide performance improvement program, which is making the company operationally stronger, strategically more focused, and better prepared for growth in its core renewables business. As part of this, HCLTech will drive IT service consolidation, boost efficiency, and build an agile, scalable technology capability. Going forward, Neste will look to utilize HCLTech's scale and deep technical expertise in areas directly related to its core business competencies.

Source: Company, Emkay Research

Exhibit 22: …(contd)…Deals signed during 1QFY27…

Announced Date	Customer	Company	Deal Size	Deal Duration	Geography	Deal Structure
25-Jun-26	Sterling Bank of Asia	Infosys	Not disclosed	Not disclosed	Philippines	Infosys Finacle, part of EdgeVerve Systems, a wholly-owned subsidiary of Infosys, and Sterling Bank of Asia (Sterling Bank), today announced the bank's decision to select Infosys Finacle Software-as-a-Service (SaaS) platform for its transformation program. Sterling Bank has opted to leverage the Finacle Core Banking, Finacle Customer Data Hub, Finacle Trade Finance, and Finacle Origination solutions for its requirements. Through this strategic collaboration with Infosys Finacle, Sterling Bank expects to enhance the experience of both employees and customers, maintain high standards of availability and reliability in its banking services, and reduce operational complexity through automation and digitization, thereby supporting its future growth.
27-Jun-26	Global tech leader	Persistent	$650mn	6.5 years	US	Persistent signed a 6.5-year, $650mn+ deal with a global technology enterprise headquartered in the US. Persistent will leverage its domain expertise along with its advanced AI-driven platforms to deliver innovative, customized solutions for enterprise software and cloud services. The agreement is expected to facilitate the adoption of emerging technologies and enhance value creation for the client through access to the company's new and evolving offerings.

Source: Company, Emkay Research

Exhibit 23: Emkay's IT Universe – 1QFY27 preview…

			Jun-26	Mar-26	Jun-25	Yoy chg	Qoq chg	Comments
TCS (9-Jul)								
CMP (Rs)	2,032	Net Sales (Rs mn)	723,916	706,980	634,370	14.1%	2.4%	We expect 0.2% qoq USD revenue growth after factoring in 30bps cross currency headwind. EBIT margin is likely to decline by 90bps qoq due to wage hike. Key things to watch out for: 1) CY26 IT budget, possibility of growth uptick, and discretionary spending recovery in H2CY26; 2) deal intake and deal pipeline (including AI/Gen AI); 3) demand trends in key verticals like BFSI, Retail, Hi Tech, Manufacturing, and Communications; 4) pricing environment; 5) margin outlook; 6) update on HyperVault business; 7) M&A focus areas; 8) management commentary on likely revenue deflation from AI and potential growth in new AI-related services, demand environment across geographies; 9) tweaking in talent hiring plan with progress in AI; 10) update on deal signing and revenue conversion on Rs29bn APO from BSNL; 11) progress on partnerships with major tech companies in the AI ecosystem.
Mkt Cap (Rs bn)	7,350	EBITDA (Rs mn)	191,838	192,760	168,750	13.7%	-0.5%	
Reco	ADD	EBITDA Margin (%)	26.5	27.3	26.6	-10bps	-77bps	
Target Price (Rs)	2,600	PAT (Rs mn)	138,447	137,180	127,600	8.5%	0.9%	
% Upside	28%	EPS (Rs)	40.1	37.9	35.3	13.7%	5.8%	
Infosys (23-Jul)								
CMP (Rs)	1,000	Net Sales (Rs mn)	487,911	464,020	422,790	15.4%	5.1%	We expect 2.1% qoq USD revenue growth after factoring in 110bps contribution from Stratus and Optimum acquisitions and 10bps cross currency headwinds. EBIT margin is expected to expand by 10bps sequentially. Key monitorables: 1) FY27 guidance – we expect INFO to revise its revenue growth guidance to 2.0-4.0% CC yoy (excluding Vercent acquisition, pending closure; earlier 1.5-3.5%), while retaining EBITM guidance of 20-22%; 2) large deal intake with share in net new deal intake; 3) update on discretionary spending and flow of smaller deals; 4) demand environment across geographies; 5) revenue from AI services; 6) management commentary on i) CY26 technology budget, spending behaviour by clients amid increased macro and geopolitical uncertainties and possibility of discretionary spending uptick in 2H; ii) expected deflation from AI-led productivity gains and offset likely from traction in new AI services; iii) any change in project ramp-ups, deferment, renewal, cancellation trends; iv) demand environment in BFSI, Hitech, Manufacturing, Retail, and Communications; v) pricing environment; vi) deal pipeline, pace of decision making, and deal closure momentum; vii) tweaking in hiring plan with progress in AI; viii) progress on partnerships with major tech companies in the AI ecosystem.
Mkt Cap (Rs bn)	4,059	EBITDA (Rs mn)	115,937	111,670	99,430	16.6%	3.8%	
Reco	BUY	EBITDA Margin (%)	23.8	24.1	23.5	24bps	-30bps	
Target Price (Rs)	1,350	PAT (Rs mn)	76,972	85,010	69,210	11.2%	-9.5%	
% Upside	35%	EPS (Rs)	19.0	21.0	16.7	13.9%	-9.5%	
HCL Tech (13-Jul)								
CMP (Rs)	1,072	Net Sales (Rs mn)	345,496	339,810	303,490	13.8%	1.7%	We are building in 1% QoQ USD revenue decline after factoring in productivity benefit pass on seasonality, headwinds in 2 large clients, and 10bps cross currency headwinds. Expect EBIT margin to expand by 60bps sequentially on back of normalization of restructuring costs. Things to watch out for: 1) FY27 outlook – we expect company to retain 1.5-4.5% services/1-4% overall CC revenue growth guidance (excluding Jaspersoft and HPE's Telco solution business), with EBITM guidance of 17.5-18.5%; 2) CY26 IT budget, possibility of recovery in discretionary spending in 2H, and any impact from increased macro and geopolitical uncertainties on the pace of decision making and tech spending; 3) deal wins, deal pipeline, and pace of deal closures; 4) growth outlook for ER&D and Software businesses; 5) demand outlook for major verticals like BFSI, Manufacturing, Technology, Communications, Retail, and Healthcare; 6) pricing environment; 7) expected impact from AI-led compression on revenue growth and progress on new revenue pools to negate this deflationary impact; 8) update on recent M&As – expected revenue/margin impact; 9) progress on AI Force platform deployment across clients; and 10) change in hiring strategy with progress in AI.
Mkt Cap (Rs bn)	2,909	EBITDA (Rs mn)	70,827	67,120	60,350	17.4%	5.5%	
Reco	ADD	EBITDA Margin (%)	20.5	19.8	19.9	61bps	75bps	
Target Price (Rs)	1,250	PAT (Rs mn)	45,308	44,880	38,430	17.9%	1.0%	
% Upside	17%	EPS (Rs)	16.7	16.5	14.2	17.9%	1.0%	

Source: Company, Emkay Research

Exhibit 24: …(contd)…Emkay's IT Universe – 1QFY27 preview…

			Jun-26	Mar-26	Jun-25	YoY chg	QoQ chg	Comments
Wipro								
CMP (Rs)	170	Net Sales (Rs mn)	248,915	242,363	221,346	12.5%	2.7%	We expect 1.4% sequential USD revenue decline in IT Services segment after factoring in ~0.6% contribution from Olam deal and 20bps cross currency headwinds. Wipro had guided revenue growth of -2% to 0% QoQ in CC terms. We expect IT Services EBITM to decline by 70bps sequentially due to incremental 2 months of wage hike, weak revenue, large deal ramp-up costs, integration of low-margin acquired businesses, and investments in Wipro Intelligence platform. Overall EBITM is expected to decline 80bps qoq. Key things to watch out for: 1) 2QFY27 outlook – we expect -1% to 1% revenue growth guidance; 2) management commentary on – a) CY26 IT budget, possibility of tech spending uptick in 2H, particularly discretionary spending; b) likely deflationary impact on revenue growth from AI and pockets of growth pools identified to negate it; c) deal intake/pipeline, headwinds from client-specific challenges, update on ramp-up plan of recently won large deals; d) update on vendor consolidation and cost takeout opportunities, change in deal pipeline composition in terms of cost takeouts vs discretionary/transformational spends and company's ability to participate effectively to retain/capture wallet share; e) demand trends in key verticals like BFSI, Consumer, Communications, Technology, Manufacturing, Healthcare, and E&U; f) Capco/consulting business growth momentum; g) change in talent strategy and hiring plan with progress of AI; and 3) capital allocation.
Mkt Cap (Rs bn)	1,687	EBITDA (Rs mn)	48,776	48,923	42,397	15.0%	-0.3%	
Reco	REDUCE	EBITDA Margin (%)	19.6	20.2	19.2	44bps	-59bps	
Target Price (Rs)	200	PAT (Rs mn)	34,305	35,018	33,304	3.0%	-2.0%	
% Upside	17%	EPS (Rs)	3.3	3.3	3.2	2.9%	-2.0%	
Tech Mahindra								
CMP (Rs)	1,405	Net Sales (Rs mn)	155,661	150,761	133,512	16.6%	3.2%	We expect USD revenue to grow 1.1% qoq after factoring in 10bps cross currency headwinds. Expect EBIT margin to expand by 50bps qoq. Key things to watch out for: 1) FY27 growth and margin aspirations; 2) CY26 IT budget, any impact on tech spending, decision-making cycle, and revenue conversion from increased macro and geopolitical uncertainties; 3) CME and Enterprise business outlook; 4) demand trends across major verticals in Enterprise business; 5) progress on large deal ramp ups, deal intake/pipeline, and deal closure momentum; 6) expected revenue compression from AI and new revenue pools identified to negate headwinds emanating from AI; 7) changes in talent strategy and hiring plan with progress in AI; and 8) pricing.
Mkt Cap (Rs bn)	1,377	EBITDA (Rs mn)	27,241	25,653	19,352	40.8%	6.2%	
Reco	REDUCE	EBITDA Margin (%)	17.5	17.0	14.5	301bps	48bps	
Target Price (Rs)	1,450	PAT (Rs mn)	16,402	13,538	11,406	43.8%	21.2%	
% Upside	3%	EPS (Rs)	18.5	15.3	12.9	43.8%	21.2%	
LTM								
CMP (Rs)	3,538	Net Sales (Rs mn)	116,463	112,917	98,406	18.3%	3.1%	We expect 0.5% qoq USD revenue growth, factoring in 20bps cross currency headwind. EBIT margin is expected to improve by 20bps QoQ. Things to watch out for: 1) FY27 revenue and margin outlook; 2) management commentary on CY26 IT budget, any impact on tech spending and sales cycle due to elevated macro and geopolitical uncertainties; 3) deal intake and pipeline; 4) growth outlook in Hi-tech and BFSI top clients and other major clients; 5) demand outlook across BFSI, Travel, RCM, E&U; 6) expected deflation from AI; 7) ramp-up plan of announced large deals, including CBDT Insight 2.0; and 8) change in talent strategy and hiring plan with progress in AI.
Mkt Cap (Rs bn)	1,049	EBITDA (Rs mn)	20,614	19,730	16,494	25.0%	4.5%	
Reco	ADD	EBITDA Margin (%)	17.7	17.5	16.8	94bps	23bps	
Target Price (Rs)	4,350	PAT (Rs mn)	14,156	13,437	12,541	12.9%	5.4%	
% Upside	23%	EPS (Rs)	47.7	45.3	42.3	12.8%	5.4%	
Mphasis (23-Jul)								
CMP (Rs)	2,169	Net Sales (Rs mn)	44,171	42,427	37,324	18.3%	4.1%	We expect 2.2% net USD revenue growth on factoring in 10bps cross currency headwinds. We expect EBIT margin to decline by 10bps sequentially. Things to watch out for: 1) FY27 guidance – we expect company to retain its revenue growth guidance of high single-digit to low double-digit growth and EBITM guidance of 14.75-15.75%; 2) management commentary on CY26 IT budget, pace of deal pipeline conversion and deal to revenue conversion; 3) outlook for DXC business; 4) expected deflation from AI; 5) order booking, deal pipeline, and pace of deal closure; 6) growth outlook across BFS, Insurance, High-tech, and Logistics verticals; 7) client-specific issues, if any, in Top-10 accounts, and progress on growing non-Top 10 clients; and 8) expected OCF/EBITDA conversion.
Mkt Cap (Rs bn)	414	EBITDA (Rs mn)	8,304	8,053	7,028	18.2%	3.1%	
Reco	ADD	EBITDA Margin (%)	18.8	19.0	18.8	-3bps	-18bps	
Target Price (Rs)	2,500	PAT (Rs mn)	5,242	5,097	4,417	18.7%	2.8%	
% Upside	15%	EPS (Rs)	27.5	26.7	23.2	18.3%	2.8%	

Source: Company, Emkay Research

Exhibit 25: …(contd)…Emkay's IT Universe – 1QFY27 preview…

			Jun-26	Mar-26	Jun-25	YoY chg	QoQ chg	Comments
Coforge (27-Jul)								
CMP (Rs)	1,466	Net Sales (Rs mn)	56,681	44,504	37,044	53.0%	27.4%	We expect 22.2% qoq USD revenue growth factoring in ~2 months contribution from integration of Encora and 20bps cross currency headwinds. EBITM is expected to decline by 80bps qoq. Key things to watch out for: 1) FY27 revenue and margin outlook; 2) order bookings, growth in NTM executable order book, and deal pipeline; 3) progress on Encora integration and synergies benefits; 4) demand trends across BFS, Insurance, Manufacturing, and Travel verticals; 5) management commentary on - a) CY26 IT budget; b) expected deflation from AI; c) any impact on tech spending, decision making cycle, and revenue conversion from increased macro and geopolitical uncertainties; and d) change in talent strategy and hiring plan with progress in AI.
Mkt Cap (Rs bn)	649	EBITDA (Rs mn)	11,790	9,168	6,013	96.1%	28.6%	
Reco	BUY	EBITDA Margin (%)	20.8	20.6	16.2	457bps	20bps	
Target Price (Rs)	1,700	PAT (Rs mn)	5,708	6,659	3,464	64.8%	-14.3%	
% Upside	16%	EPS (Rs)	11.6	18.2	9.5	22.4%	-36.3%	
Persistent Systems								
CMP (Rs)	4,327	Net Sales (Rs mn)	42,655	40,559	33,336	28.0%	5.2%	We expect a 3.2% qoq USD revenue growth, factoring in 30bps cross currency headwind. Expect EBITM to expand by 20bps sequentially. Things to watch out for: 1) FY27 revenue growth and margin outlook; 2) management commentary on increased macro and geopolitical uncertainties on demand environment, CY26 IT budget, and possibility of higher spending in 2H, and growth strategy to scale up presence in Europe post Concise acquisition; 3) deal intake and pipeline; 4) demand trends across BFSI, Healthcare and Technology verticals; 5) outlook on major clients; 6) M&A focus areas; 7) trends in IP revenue; 8) implication on revenue growth momentum in near term from potential compression from AI; and 9) change in talent strategy and hiring plan with progress in AI.
Mkt Cap (Rs bn)	683	EBITDA (Rs mn)	8,134	7,677	6,116	33.0%	6.0%	
Reco	ADD	EBITDA Margin (%)	19.1	18.9	18.3	72bps	14bps	
Target Price (Rs)	5,200	PAT (Rs mn)	5,153	5,293	4,249	21.3%	-2.6%	
% Upside	20%	EPS (Rs)	32.7	33.6	27.2	20.2%	-2.6%	
Hexaware Technologies								
CMP(Rs)	515	Net Sales (Rs mn)	38,389	36,130	32,607	17.7%	6.3%	We expect 4.2% qoq USD revenue growth factoring in ~30bps contribution from CPS acquisition and 10bps cross currency headwind. Expect EBITM to remain flattish sequentially. Things to watch out for: 1) CY26 guidance – we expect company to retain guidance of better than CY25 growth of 7.6% and 13-14% EBITM; 2) management commentary on - i) likely deflation from AI; ii) CY26 IT budget; iii) any impact on tech spending, decision-making cycle, and revenue conversion from increased macro and geopolitical uncertainties; and iv) progress on large deals; 3) deal intake and pipeline; 4) demand trends across verticals; 5) outlook on major clients; 6) M&A focus areas; and 7) any tweaking on talent strategy and hiring plan with progress in AI.
Mkt Cap (Rs bn)	315	EBITDA (Rs mn)	6,085	5,708	4,044	50.5%	6.6%	
Reco	BUY	EBITDA Margin (%)	15.9	15.8	12.4	345bps	5bps	
Target Price (Rs)	575	PAT (Rs mn)	3,715	3,516	3,799	-2.2%	5.7%	
% Upside	12%	EPS (Rs)	6.1	5.8	6.2	-2.6%	5.7%	
L&T Technology Services (14-Jul)								
CMP (Rs)	3,140	Net Sales (Rs mn)	29,220	28,579	28,660	2.0%	2.2%	We expect 0.8% qoq growth in USD revenue, factoring in 60bps cross currency headwind. We expect margin to improve by 40bps sequentially. Key things to watch out for: 1) FY27 revenue growth and margin guidance; 2) progress on realigning portfolio with Lakshya 31 priorities and profitability focus; 3) growth outlook across verticals; 4) CY26 IT budget, any impact on ER&D spending and decision-making cycle from increased macro and geopolitical uncertainties; 5) deal intake and pipeline trends; and 6) hiring plan.
Mkt Cap (Rs bn)	333	EBITDA (Rs mn)	5,435	5,214	4,624	17.5%	4.2%	
Reco	ADD	EBITDA Margin (%)	18.6	18.2	16.1	247bps	36bps	
Target Price (Rs)	3,800	PAT (Rs mn)	3,589	3,564	3,157	13.7%	0.7%	
% Upside	21%	EPS (Rs)	33.9	33.6	29.8	13.6%	0.7%	

Source: Company, Emkay Research

Exhibit 26: …(contd)…Emkay's IT Universe – Q1FY27 Preview…

			Jun-26	Mar-26	Jun-25	YoY chg	QoQ chg	Comments
Cyient								
CMP (Rs)	872	Net Sales (Rs mn)	20,172	19,269	17,118	17.8%	4.7%	We expect USD revenue to grow 0.9% sequentially in DET business on factoring in flattish cross currency movements. Overall revenue is expected to grow 1.4% in USD terms on sequential basis, driven by acquisition of Kinetic in semiconductor segment. We expect Transportation and Mobility vertical to lead growth, while Strategic Units verticals to be a laggard. DET's EBITM is expected to expand by 50bps qoq. Overall EBITM is expected to decline by 100bps sequentially, largely due to adverse mix change. Things to watch out for: 1) FY27 revenue and margin outlook for DET business; 2) semiconductor business growth plan and likely investments; 3) management commentary on CY26 ER&D budget across major clients and overall ER&D spending, signs of spending recovery with stability returning in the Middle East; 4) deal intake and pipeline; 5) demand outlook across Networks & Infrastructure, Transportation & Mobility, and Strategic Units; 6) capital position and net debt level post closure of recent M&As and buyback; and 6) hiring plan and attrition trends.
Mkt Cap (Rs bn)	97	EBITDA (Rs mn)	2,506	2,515	2,308	8.6%	-0.4%	
Reco	REDUCE	EBITDA Margin (%)	12.4	13.1	13.5	-106bps	-63bps	
Target Price (Rs)	900	PAT (Rs mn)	1,200	1,245	1,539	-22.0%	-3.6%	
% Upside	3%	EPS (Rs)	10.8	4.9	13.9	-22.1%	119.0%	
Sonata Software								
CMP (Rs)	268	Net Sales (Rs mn)	28,212	25,362	29,652	-4.9%	11.2%	We expect 0.2% USD revenue decline in IITS business on factoring in 20bps cross currency headwinds. Overall rupee revenue is expected to grow 11.2% on back of rupee depreciation and domestic business seasonality. IITS's EBITDAM is expected to decline by 70bps qoq. Overall EBITM is expected to decline by 100bps sequentially. Things to watch out for: 1) management commentary on CY26 IT budget, any impact on tech spending, decision-making cycle from increased macro and geopolitical uncertainties; 2) FY27 growth outlook and medium-term growth aspiration in IITS and domestic business; 3) growth outlook across BFSI, RMD, TMT, and HLS verticals; 4) outlook on major TMT/BFSI clients in IITS segment and steps taken to mitigate headwinds in select clients; 5) deal intake and pipeline; 6) expected deflationary impact from AI on IITS business and likely impact on domestic business from AI.
Mkt Cap (Rs bn)	75	EBITDA (Rs mn)	2,052	2,087	1,597	28.6%	-1.6%	
Reco	BUY	EBITDA Margin (%)	7.3	8.2	5.4	189bps	-95bps	
Target Price (Rs)	340	PAT (Rs mn)	1,340	1,621	1,093	22.5%	-17.3%	
% Upside	27%	EPS (Rs)	4.8	7.0	3.9	22.7%	-30.8%	
Birlasoft								
CMP (Rs)	286	Net Sales (Rs mn)	13,692	13,486	12,849	6.6%	1.5%	We expect 0.6% USD revenue decline on sequential basis, factoring in 10bps cross currency headwind. EBIT margin expected to decline 310bps sequentially, largely due to absence of one-offs. Key things to watch out for: 1) FY27 revenue growth and margin outlook; 2) CY26 IT budget and demand trends across top clients; 3) order wins, deal pipeline, pace of deal closures, and deal-to-revenue conversion; 4) demand trends in enterprise solutions business; 5) outlook for key industries like Manufacturing, Life Sciences, BFSI, and E&U; 6) growth outlook in Infra business; and 7) hiring plan and attrition trends.
Mkt Cap (Rs bn)	80	EBITDA (Rs mn)	2,191	2,492	1,588	37.9%	-12.1%	
Reco	ADD	EBITDA Margin (%)	16.0	18.5	12.4	364bps	-248bps	
Target Price (Rs)	350	PAT (Rs mn)	1,705	1,759	1,064	60.2%	-3.1%	
% Upside	22%	EPS (Rs)	6.1	6.3	3.8	60.2%	-3.1%	
Firstsource Solutions								
CMP (Rs)	228	Net Sales (Rs mn)	27,232	25,835	22,177	22.8%	5.4%	We are building in 2.3% USD revenue growth, factoring in 10bps cross currency headwinds. EBIT margin expected to improve by 10bps sequentially. Key things to look out for: 1) FY27 revenue and margin outlook – we expect company to retain revenue growth guidance of 10-13% in constant currency terms and EBITM guidance of 12.25-12.75%; 2) progress on growth strategy - "intelligence that operates" tapping services-as-a-software shift; 3) outlook on Mortgage, Provider, Payer, and Collections business; 4) demand trends and outlook in BFS, CMT, and Healthcare verticals; 5) deal intake and deal pipeline momentum, any impact on client decision making cycle from increased macro and geopolitical uncertainties; and 6) share of revenue coming from outcome-based construct.
Mkt Cap (Rs bn)	159	EBITDA (Rs mn)	4,470	4,304	3,471	28.8%	3.9%	
Reco	ADD	EBITDA Margin (%)	16.4	16.7	15.7	76bps	-25bps	
Target Price (Rs)	250	PAT (Rs mn)	2,255	2,052	1,693	33.2%	9.9%	
% Upside	9%	EPS (Rs)	3.2	2.9	2.4	33.2%	9.9%	

Source: Company, Emkay Research

Exhibit 27: …(contd)…Emkay's IT Universe – Q1FY27 Preview…

			Jun-26	Mar-26	Jun-25	YoY chg	QoQ chg	Comments
Eclerx Services								
CMP (Rs)	1,322	Net Sales (Rs mn)	11,597	11,073	9,346	24.1%	4.7%	We expect a 3.3% qoq USD revenue growth after factoring in 10bps cross currency headwind. EBIT margin expected to decline 100bps sequentially due to wage hike. Management commentary on a) FY27 revenue growth and margin outlook; b) expected deflation from AI and any change in roll off trends; c) M&A focus areas and capital allocation; d) update on progress made on geographic diversification of delivery capabilities and its implication on margins; e) deal intake and deal pipeline, confidence on sustaining deal intake momentum to negate any uptick in roll offs with potential AI deflation; f) growth outlook across BFSI, CMT, Hitech and M&D, Fashion, Luxury and Retail, and emerging industries; and g) progress on AI/Gen AI, partnerships with key stakeholders in the AI ecosystem and any changes in contracts structure/construct.
Mkt Cap (Rs bn)	124	EBITDA (Rs mn)	2,795	2,836	2,205	26.7%	-1.4%	
Reco	BUY	EBITDA Margin (%)	24.1	25.6	23.6	50bps	-151bps	
Target Price (Rs)	1,700	PAT (Rs mn)	1,802	1,894	1,417	27.2%	-4.8%	
% Upside	29%	EPS (Rs)	19.2	20.1	14.9	28.9%	-4.8%	
Route Mobile								
CMP(Rs)	518	Net Sales (Rs mn)	11,349	11,309	10,508	8.0%	0.4%	We expect revenue to grow 0.4% sequentially. EBITM is likely to fall by 20bps sequentially. Key monitorables: 1) FY27 guidance – we expect company to retain revenue growth guidance of mid to high single-digits and adj EBITDA margin of ~12%; 2) progress on scaling revenue from non-SMS, new-gen products; 3) ILD messaging segment outlook; 4) cash conversion and capital allocation; 5) M&A focus areas; and 6) capital allocation.
Mkt Cap (Rs bn)	33	EBITDA (Rs mn)	1,362	1,362	1,186	14.8%	0.0%	
Reco	BUY	EBITDA Margin (%)	12.0	12.0	11.3	71bps	-5bps	
Target Price (Rs)	775	PAT (Rs mn)	888	1,093	532	66.9%	-18.7%	
% Upside	50%	EPS (Rs)	14.0	17.3	8.4	66.2%	-18.7%	
Quess Corp								
CMP (Rs)	268	Net Sales (Rs mn)	39,948	38,925	36,514	9.4%	2.6%	General Staffing is expected to see ~3% growth sequentially driving closer to double-digit growth yoy. GCC demand continues to support Professional Staffing growth, though yoy performance is impacted by prior MSP loss and weak IT services demand. Overseas business performance is expected to be muted due to impact of ME war. On a consolidated level, we build in 2.6% qoq revenue growth with 20bps decline in EBITDAM sequentially.
Mkt Cap (Rs bn)	40	EBITDA (Rs mn)	798	864	697	14.5%	-7.6%	
Reco	BUY	EBITDA Margin (%)	2.0	2.2	1.9	9bps	-22bps	
Target Price (Rs)	290	PAT (Rs mn)	551	635	528	4.5%	-13.3%	
% Upside	8%	EPS (Rs)	3.7	4.3	3.4	7.6%	-14.3%	
Teamlease								
CMP (Rs)	1,446	Net Sales (Rs mn)	29,967	29,249	28,914	3.6%	2.5%	We estimate 2.5% qoq growth in revenue for Teamlease, driven by annual salary revision of associates, negating the impact of planned exit of ~10k low-margin associates (affecting part of the quarter) and seasonal weakness in the Other HR business. Specialised Staffing should maintain momentum on back of traction in GCCs. Overall EBITDA is expected to decline sequentially due to seasonality in HR business. PBT is expected to decline higher than EBITDA due to lower other income sequentially.
Mkt Cap (Rs bn)	24	EBITDA (Rs mn)	324	457	307	5.7%	-29.1%	
Reco	BUY	EBITDA Margin (%)	1.1	1.6	1.1	2bps	-48bps	
Target Price (Rs)	1,800	PAT (Rs mn)	231	439	265	-13.0%	-47.4%	
% Upside	24%	EPS (Rs)	13.7	26.1	15.8	-13.0%	-47.4%	

Source: Company, Emkay Research

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SELL	>15% downside

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