SECTOR RATING: Overweight

PL Capital
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Apr-Jun'26 Earnings Preview

Information Technology

July 02, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Coforge	BUY	1,442	1,980
Cyient	HOLD	879	900
Fractal Analytics	Accumulate	897	1,020
HCL Technologies	Accumulate	1,078	1,140
Infosys	BUY	1,041	1,350
KPIT Technologies	HOLD	559	580
L&T Technology Services	HOLD	3,167	3,130
Latent View Analytics	BUY	279	350
LTM	Accumulate	3,681	4,020
Mphasis	BUY	2,245	2,990
Persistent Systems	BUY	4,581	5,570
Tata Consultancy Services	BUY	2,068	2,540
Tata Elxsi	HOLD	3,671	3,790
Tata Technologies	SELL	712	510
Tech Mahindra	BUY	1,421	1,650
Wipro	HOLD	174	170

FY27 off to a slow start amid uncertain tides

Quick Pointers

- Expect muted growth in seasonally strong quarter
- Margins to decline for most of the names, despite strong currency tailwind

IT companies are expected to see subdued growth in Q1FY27, in an otherwise seasonally strong quarter. Leakages in traditional services and cannibalization of new revenue streams are weighing on overall revenue growth. Q1 impact is broad-based, with direct effects visible in Consumer, Hi-Tech, and Telecom. Slower decision-making and elongated sales cycle are leading to delays in revenue conversion and execution. AI-led deals contribute disproportionately to the pipeline, and come with smaller deal size and tenure, which translate into lower ACV and fragmented deal closures. We expect median revenue growth of 0.8% QoQ in CC terms and 0.4% QoQ in USD terms, implying a cross-currency headwind of ~40bps. EUR and GBP have weakened by 0.3% and 0.6% QoQ, respectively, against USD, while INR depreciated 3.4% QoQ, with the latter supporting margins in Q1.

Within Tier I, we are trimming our growth and margin estimates for most of the names (barring TECHM) for FY27E/FY28E, as operational performance is expected to be discouraging in Q1, attributed to the Middle East crisis and general slowdown due to adverse macros. As a result, we see EPS changes in the range of 0.4 to -2.7%/-0.1 to -3.2% for FY27E/FY28E in Tier I companies. Tier II companies are likely to outpace Tier I in terms of growth in Q1. However, there are a few exceptions: EPS of LATENTVI and KPIT has been cut by 4.9%/5.0% and 17.7%/14.1% for FY27E/FY28E, respectively. We expect deal TCV to be muted sequentially, since mega deals are missing in Q1. Despite the Q1 softness, we expect INFO and HCLT to maintain their organic revenue guidance band, while HCLT is likely to deliver at the mid-range of the guidance.

Tier I & II operating performance: We expect muted performance across both Tier I and II companies. Tier I companies are expected to report 0.4% median QoQ CC growth, led by INFO (2.4% QoQ CC growth, aided by integration of Optimum Healthcare), while WPRO and HCLT will be laggards, declining by 1.3% and 1.0% QoQ CC, respectively. Within Tier II companies, COFORGE will report consolidated growth of 22% QoQ CC with 2 months' contribution from the Encora acquisition, while organic growth is expected to be flat. PSYS will continue its growth momentum with 3.5% QoQ CC growth. Among Tier II, we expect KPIT to report weak results with 4.1% QoQ CC decline, due to persistent weakness in the automotive segment.

On the margins front, we expect pressure across both Tier I and II companies, despite the INR tailwind, due to weak Q1 performance. We expect sequential margin decline across all coverage companies, except TECHM, which will continue its margin improvement trajectory with 30bps QoQ. Across our coverage universe, we expect margin movement in the band of -440bps to +30bps, with a median margin decline of 100bps QoQ in Tier I companies and 80bps QoQ in Tier II companies.

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Valuation and View

The NIFTY IT Index has been down 11.4% in the Apr-Jun quarter, taking the total drag to 31% in YTD CY26 – a decline driven by AI-led growth deceleration and now further aggravated by the Middle East conflict's impact on global enterprise tech spending. While our coverage companies carry limited direct exposure to the Middle East region, softer start to FY27 and elongated decision-making cycles will continue to weigh on revenue growth and earnings in the near term. Sharp INR depreciation should provide a partial offset, helping arrest margin pressure even as companies continue to invest in AI-led capabilities and absorb productivity pass-back to clients. We believe much of this weakness is now priced in, with 2-year forward PE multiples declining to 14x for Tier I and 22x for Tier II companies and expect a recovery from H2FY27.

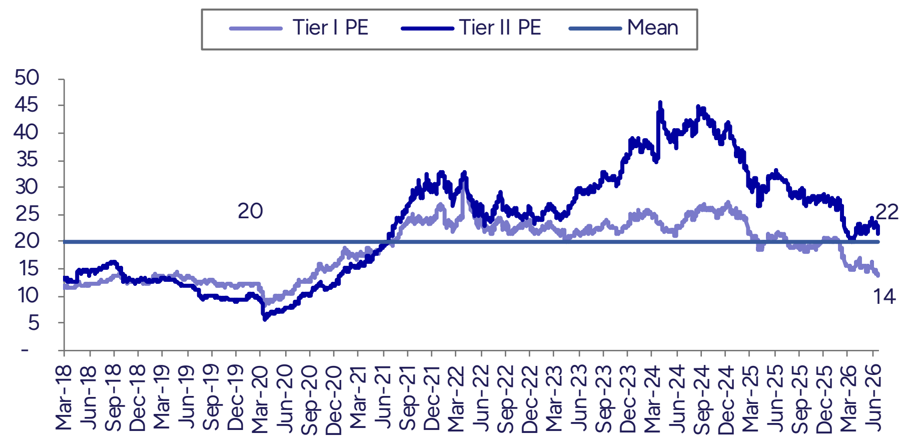
Despite the sharp correction, we retain our positive stance on the IT sector and continue to prefer mid-caps over large caps, given their relative resilience through recent macro headwinds and AI-led uncertainty. Within mid-caps, Persistent, Mphasis and Coforge remain our top picks, trading at attractive FY26-28E PEG ratio of 1.1x each.

Exhibit 1: Change in PE & rating

Company Name	Current Target P/E	Previous Target P/E	Current Rating	Previous Rating
Coforge	28	28	BUY	BUY
Cyient – DET	12	13	HOLD	BUY
Fractal Analytics	35	37	Accumulate	HOLD
HCL Tech	15	17	Accumulate	REDUCE
Infosys	16	18	BUY	BUY
KPIT Technologies	20	26	HOLD	BUY
L&T Technology Services	20	23	HOLD	HOLD
Latent View Analytics	25	30	BUY	BUY
LTM	18	20	Accumulate	HOLD
Mphasis	23	23	BUY	BUY
Persistent Systems	30	35	BUY	BUY
Tata Consultancy Services	15	20	BUY	BUY
Tata Elxsi	24	30	HOLD	HOLD
Tata Technologies	23	25	SELL	HOLD
Tech Mahindra	19	19	BUY	BUY
Wipro	12	14	HOLD	HOLD

Source: Company, PL

Exhibit 2: 2-year forward PE multiples of Tier I & II companies



Source: Company, PL

Exhibit 3: Quarterly snapshot of Tier I companies

Company	Revenue (US$ mn)					Revenue (INR bn)				
	1QFY27E	4QFY26	*QoQ gr. (%)*	1QFY26	*YoY gr. (%)*	1QFY27E	4QFY26	*QoQ gr. (%)*	1QFY26	*YoY gr. (%)*
TCS	7,628	7,621	*0.1*	7,421	*2.8*	722	707	*2.2*	634	*13.8*
Infosys	5,155	5,040	*2.3*	4,941	*4.3*	488	464	*5.2*	423	*15.4*
Wipro*	2,609	2,651	*-1.6*	2,587	*0.8*	250	242	*3.1*	221	*12.9*
HCLT	3,641	3,682	*-1.1*	3,545	*2.7*	345	340	*1.4*	303	*13.6*
TechM	1,640	1,625	*0.9*	1,564	*4.8*	155	151	*3.0*	134	*16.3*
LTIM	1,226	1,222	*0.3*	1,153	*6.3*	114	113	*1.0*	98	*15.9*
Company	**EBIT Margin (%)**					**PAT (INR bn)**				
	1QFY27E	4QFY26	*QoQ gr. (%)*	1QFY26	*YoY gr. (%)*	1QFY27E	4QFY26	*QoQ gr. (%)*	1QFY26	*YoY gr. (%)*
TCS	25.0	25.3	*-30*	24.5	*50*	142	137	*3.4*	128	*11.2*
Infosys	20.9	21.0	*-10*	20.8	*-*	79	85	*-7.0*	69	*14.2*
Wipro*	16.6	17.4	*-80*	17.3	*-60*	35	35	*-2.1*	33	*3.8*
HCLT	16.7	17.8	*-110*	16.3	*40*	45	49	*-9.0*	38	*16.1*
TechM	14.1	13.8	*30*	11.1	*300*	15	14	*10.2*	11	*30.8*
LTIM	15.1	15.1	*-*	14.3	*80*	14	13	*7.7*	13	*14.2*

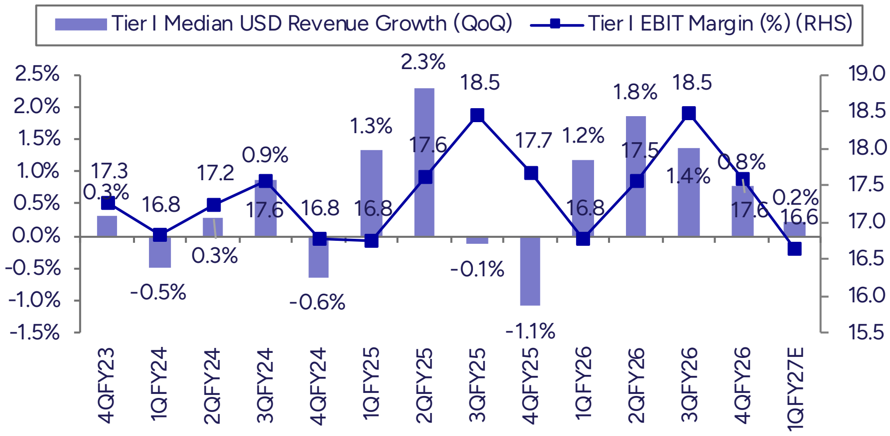
Source: Company, PL

Exhibit 4: Quarterly snapshot of Tier II companies

Company	Revenue (US$ mn)					Revenue (INR bn)				
	1QFY27E	4QFY26	*QoQ gr. (%)*	1QFY26	*YoY gr. (%)*	1QFY27E	4QFY26	*QoQ gr. (%)*	1QFY26	*YoY gr. (%)*
Cyient - DET	161.9	163.5	*-0.9*	162.7	*-0.5*	15.3	15.0	*2.2*	13.9	*10.1*
Coforge	593.6	489.1	*21.4*	442.4	*34.2*	56.2	44.5	*26.3*	36.9	*52.3*
Fractal	98.0	97.1	*0.9*	88.9	*10.2*	9.3	8.9	*4.7*	7.6	*22.0*
Persistent	450.9	436.0	*3.4*	389.7	*15.7*	42.7	40.6	*5.2*	33.3	*28.0*
Mphasis	468.2	462.6	*1.2*	437.3	*7.1*	44.3	43.1	*2.9*	37.3	*18.7*
KPIT	175.9	184.8	*-4.8*	177.8	*-1.1*	16.7	17.1	*-2.7*	15.4	*8.2*
LTTS	307.6	305.9	*0.5*	335.3	*-8.3*	29.1	28.6	*1.9*	28.7	*1.6*
Tata Elxsi	107.5	107.1	*0.3*	104.4	*3.0*	10.2	9.9	*2.4*	8.9	*14.0*
Tata Technologies	169.4	170.8	*-0.8*	145.3	*16.6*	16.0	15.7	*2.0*	12.4	*28.9*
Latent View	98.0	97.1	*0.9*	88.9	*10.2*	3.0	2.9	*3.8*	2.4	*27.0*
Company	**EBIT Margin (%)**					**PAT (INR bn)**				
	1QFY27E	4QFY26	*QoQ gr. (%)*	1QFY26	*YoY gr. (%)*	1QFY27E	4QFY26	*QoQ gr. (%)*	1QFY26	*YoY gr. (%)*
Cyient - DET	12.3	12.4	*-10*	12.0	*30*	1.5	1.4	*11.2*	1.6	*-5.7*
Coforge	16.2	16.6	*-30*	12.8	*340*	5.7	6.7	*-14.3*	3.2	*77.2*
Fractal	12.8	16.2	-340	9.5	330	0.9	1.2	-25.9	0.4	145.6
Persistent	16.5	16.3	*20*	15.5	*100*	5.6	5.3	*6.7*	4.2	*32.9*
Mphasis	15.1	15.2	*-10*	15.3	*-20*	5.4	5.1	*5.2*	4.4	*21.4*
KPIT	14.4	15.9	*-150*	17.0	*-260*	1.5	1.6	*-9.0*	1.7	*-13.7*
LTTS	15.4	15.2	*20*	13.3	*210*	3.6	3.5	*3.3*	3.2	*13.4*
Tata Elxsi	22.1	22.3	*-20*	18.2	*390*	2.2	2.2	*-1.4*	1.4	*50.6*
Tata Technologies	13.2	13.1	*20*	13.6	*-30*	1.8	1.5	*19.1*	1.7	*3.5*
Latent View	18.5	20.5	*-190*	18.1	*40*	0.5	0.5	*-1.6*	0.5	*2.1*

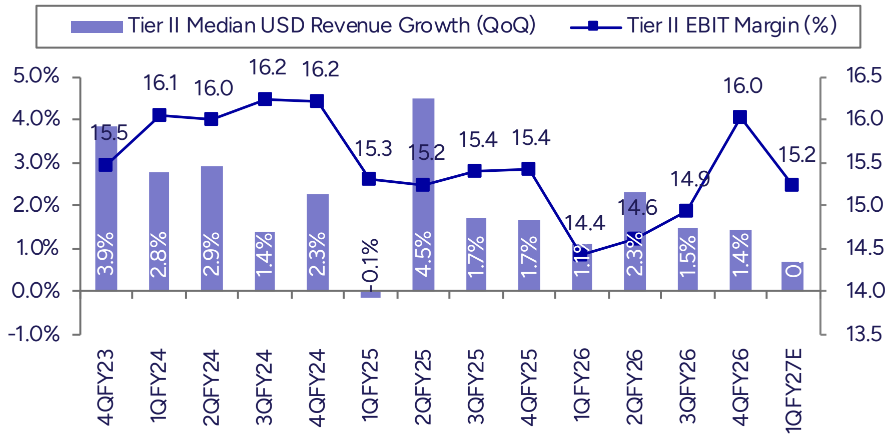
Source: Company, PL

Exhibit 5: Tier I revenue growth & margin trend



Source: Company, PL

Exhibit 6: Tier II revenue growth & margin trend



Source: Company, PL

Exhibit 7: Cross-currency impact

	CC USD growth QoQ (%)	USD growth QoQ (%)	Cross currency impact (bps)
TCS	0.3%	0.1%	-20
Infosys	2.4%	2.3%	-10
Wipro	-1.3%	-1.6%	-30
HCLT	-1.0%	-1.1%	-20
TechM	1.0%	0.9%	-20
LTM	0.5%	0.3%	-10
Cyient - DET	-1.0%	-0.9%	10
Coforge	22.0%	21.4%	-70
Persistent	3.5%	3.4%	-10
Mphasis	1.3%	1.2%	-20
KPIT	-4.1%	-4.8%	-70
LTTS	0.8%	0.5%	-30
Tata Elxsi	1.0%	0.3%	-70
Latent View	0.8%	0.9%	10

Source: Company, PL

Exhibit 8: Currency movement against INR

	Rates (INR)				Change (QoQ)			
	USD	EUR	GBP	AUD	USD	EUR	GBP	AUD
Average	94.67	110.16	127.15	67.26	3.4%	2.8%	3.1%	5.8%
Closing	94.41	107.33	124.52	65.15	-0.4%	-1.5%	-0.5%	-0.4%

Source: Company, PL

Exhibit 9: Currency movement against USD

	Rates (USD)			Change (QoQ)		
	EUR	GBP	AUD	EUR	GBP	AUD
Average	1.16	1.34	0.71	-0.3%	-0.6%	0.8%
Closing	1.14	1.32	0.69	-0.1%	-1.1%	2.3%

Source: Company, PL

Exhibit 10: Change in estimates

	Revised EPS (INR)		Earlier EPS (INR)		*Change (%)*	
	FY27E	FY28E	FY27E	FY28E	*FY27E*	*FY28E*
Coforge	58.6	70.6	58.6	71.1	*-0.1%*	*-0.8%*
Fractal	22.5	29.2	22.4	29.2	*0.4%*	*0.0%*
HCLT	70.8	75.9	70.9	76.7	*0.0%*	*-1.0%*
Infosys	78.6	84.7	79.5	87.5	*-1.2%*	*-3.2%*
KPIT	23.2	29.2	28.2	33.9	*-17.7%*	*-14.1%*
Latent View	11.5	13.9	12.0	14.9	*-4.9%*	*-6.4%*
LTIM	203.7	223.8	205.3	228.1	*-0.8%*	*-1.9%*
LTTS	139.7	156.5	139.2	156.8	*0.4%*	*-0.2%*
Mphasis	115.2	129.8	115.0	130.6	*0.2%*	*-0.6%*
Persistent	153.0	185.8	148.9	182.8	*2.7%*	*1.6%*
Tata Elxsi	136.5	157.7	136.8	159.6	*-0.2%*	*-1.2%*
Tata Tech	18.8	22.1	18.9	22.3	*-0.4%*	*-1.0%*
TCS	156.8	169.1	160.0	172.4	*-2.0%*	*-1.9%*
TechM	76.5	87.0	78.6	87.4	*-2.7%*	*-0.5%*
Wipro	13.5	14.3	13.5	14.3	*0.4%*	*-0.1%*

Source: Company, PL

Exhibit 11: **Valuation matrix**

	Rating	Price (INR)	Market Cap (US$ bn)	Target Price (INR)	EPS (INR)			PE (x)			Rev growth (%) (CC)			EBIT margin (%)			PEG
					FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26-28E (x)
Coforge	BUY	1,442	7	1,980	51.0	58.6	70.6	28.2	24.6	20.4	30.0%	42.9%	15.1%	14.4%	15.3%	15.4%	1.2
Cyient	HOLD	879	1	900	53.2	59.7	65.5	16.5	14.7	13.4	-0.7%	0.2%	4.4%	12.2%	13.2%	13.7%	1.2
Fractal	Accumulate	897	2	1,020	18.8	22.5	29.2	47.8	39.9	30.7	13.3%	12.7%	17.0%	11.3%	12.7%	13.7%	1.2
HCL Tech	Accumulate	1,078	31	1,140	67.3	71.0	76.1	16.0	15.2	14.2	3.9%	2.2%	3.5%	17.9%	17.7%	18.0%	2.2
Infosys	BUY	1,041	44	1,350	73.9	79.3	84.7	14.1	13.1	12.3	3.1%	4.0%	4.7%	21.0%	21.2%	21.4%	1.7
KPIT	HOLD	559	2	580	23.6	23.2	29.2	23.7	24.1	19.2	1.3%	0.7%	9.2%	16.2%	14.8%	15.7%	1.7
Latent View	BUY	279	1	350	10.2	11.5	14.1	27.4	24.3	19.7	19.7%	15.0%	18.6%	19.6%	18.8%	19.3%	1.1
LTM	Accumulate	3,681	11	4,020	181.8	204.0	224.1	20.2	18.0	16.4	5.2%	6.0%	7.0%	15.4%	15.6%	15.8%	1.5
LTTS	HOLD	3,167	4	3,130	121.0	139.9	156.7	26.2	22.6	20.2	4.8%	4.3%	9.0%	14.5%	15.3%	15.5%	1.5
Mphasis	BUY	2,245	5	2,990	99.1	115.2	129.8	22.7	19.5	17.3	6.9%	9.0%	10.7%	15.3%	15.4%	15.5%	1.2
Persistent	BUY	4,581	8	5,570	124.7	153.0	185.8	36.7	29.9	24.7	17.4%	19.9%	18.1%	16.2%	16.3%	16.4%	1.1
TCS	BUY	2,068	79	2,540	146.0	158.7	169.1	14.2	13.0	12.2	-2.5%	3.5%	4.5%	25.0%	25.3%	25.5%	1.6
Tata Tech	SELL	712	3	510	16.3	18.8	22.1	43.8	37.9	32.2	1.4%	15.6%	10.1%	13.0%	14.1%	15.0%	1.9
TechM	BUY	1,421	13	1,650	57.3	76.5	87.0	24.8	18.6	16.3	0.4%	4.8%	5.8%	12.6%	14.5%	15.0%	0.7
Tata Elxsi	HOLD	3,671	2	3,790	112.1	136.5	157.7	32.7	26.9	23.3	-5.5%	6.1%	10.0%	20.0%	21.3%	22.4%	1.3
Wipro	HOLD	174	19	170	12.9	13.5	14.3	13.5	12.9	12.1	-1.4%	1.5%	2.5%	17.3%	17.0%	17.0%	2.2

Source: Company, PL

Exhibit 12: **Q1FY27E result preview (INR bn)**

Company Name		Q1FY27E	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)	Remark
Coforge	Sales (US$ mn)	593.6	442.4	*34.2*	489.1	*21.4*	We expect Coforge to report growth of 22% QoQ CC largely on account of 2 months of revenue contribution from the Encora acquisition. We expect margins to decline by 40bps QoQ amid Encora integration & INR depreciation.
	Sales	56.2	36.9	*52.3*	44.5	*26.3*	
	EBIT	9.1	4.7	*93.3*	7.4	*23.8*	
	Margin (%)	*16.2*	*12.8*	*344 bps*	*16.6*	*-32 bps*	
	PBT	8.4	4.4	*89.7*	6.8	*23.1*	
	Adj. PAT	5.7	3.2	*77.2*	6.7	*-14.3*	
Cyient	Sales (US$ mn)	190.9	200.0	*-4.5*	209.9	*-9.0*	We expect Cyient-DET business to report another muted quarter with QoQ CC degrowth of 1% due to the Middle East crisis. DET EBIT margin is expected to decrease marginally by 10bps QoQ.
	Sales	18.1	17.1	*5.6*	19.3	*-6.2*	
	EBIT	2.1	1.6	*29.6*	1.8	*14.9*	
	Margin (%)	*11.7*	*9.5*	*216 bps*	*9.5*	*214 bps*	
	PBT	2.3	2.2	*4.4*	2.0	*15.3*	
	Adj. PAT	1.6	1.5	*2.3*	1.2	*26.5*	
Fractal Analytics	Sales (US$ mn)	98.0	88.9	*10.2*	97.1	*0.9*	We expect Fractal to report 0.9% QoQ growth in USD terms and operating margin to decline by 340bps QoQ due to seasonality and adverse macro environment.
	Sales	9.3	7.6	*22.0*	8.9	*4.7*	
	EBIT	1.2	0.7	*63.7*	1.4	*-17.2*	
	Margin (%)	*12.8*	*9.5*	*327 bps*	*16.2*	*-339 bps*	
	PBT	1.2	0.5	*126.3*	1.5	*-19.8*	
	Adj. PAT	0.9	0.4	*145.6*	1.2	*-25.9*	
HCL Technologies	Sales (US$ mn)	3,640.9	3,545.0	*2.7*	3,682.0	*-1.1*	We expect HCLT revenue to decline by 1% QoQ in CC & 1.1% in USD terms due to software business seasonality & productivity pass-backs. We expect margin to decline by 110bps due to ramp-downs at 2 accounts, despite currency tailwinds. We expect HCLT to maintain its guidance for FY27.
	Sales	344.7	303.5	*13.6*	339.8	*1.4*	
	EBIT	57.5	49.4	*16.3*	60.3	*-4.7*	
	Margin (%)	*16.7*	*16.3*	*39 bps*	*17.8*	*-108 bps*	
	PBT	59.6	51.9	*14.8*	61.2	*-2.6*	
	Adj. PAT	44.6	38.4	*16.1*	53.2	*-16.1*	

Company Name		Q1FY27E	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)	Remark
Infosys	Sales (US$ mn)	5,154.7	4,941.0	4.3	5,040.0	2.3	We expect INFO revenue to increase by 2.4% QoQ CC & 2.3% in USD terms due to contribution from Optimum acquisition. We expect EBIT margin to decline by 10bps QoQ as currency tailwinds will be offset by productivity pass-backs & AI investments. We expect INFO to maintain its organic guidance.
	Sales	488.0	422.8	15.4	464.0	5.2	
	EBIT	101.7	88.0	15.6	97.4	4.4	
	Margin (%)	*20.8*	*20.8*	*3 bps*	*21.0*	*-15 bps*	
	PBT	111.5	97.4	14.5	108.0	3.3	
	Adj. PAT	79.3	69.3	14.5	85.2	-6.9	
KPIT Technologies	Sales (US$ mn)	175.9	177.8	-1.1	184.8	-4.8	We expect KPIT to report revenue decline of 4.1% QoQ CC due to softness in spendings by European OEMs. We expect EBIT margin to decline by 150bps QoQ due to weak operating performance.
	Sales	16.7	15.4	8.2	17.1	-2.7	
	EBIT	2.4	2.6	-8.3	2.7	-11.8	
	Margin (%)	*14.4*	*17.0*	*-258 bps*	*15.9*	*-148 bps*	
	PBT	2.1	2.4	-14.4	2.3	-10.4	
	Adj. PAT	1.5	1.7	-13.7	1.6	-9.0	
Latent View Analytics	Sales (US$ mn)	31.7	27.6	14.5	31.4	0.8	We expect moderate growth of 0.8% for Latent View amid challenging macro conditions. We expect EBITDA & EBIT margins to decline by 60bps & 40bps QoQ, respectively.
	Sales	3.0	2.4	27.0	2.9	3.8	
	EBIT	0.6	0.4	29.9	0.6	-6.0	
	Margin (%)	*18.5*	*18.1*	*42 bps*	*20.5*	*-194 bps*	
	PBT	0.7	0.6	17.4	0.7	3.1	
	Adj. PAT	0.5	0.5	6.0	0.5	2.1	
LTIMindtree	Sales (US$ mn)	1,226.4	1,153.3	6.3	1,222.4	0.3	We expect LTM to report growth of 0.5% QoQ CC on account of the Middle East crisis & productivity pass-back to clients. We expect margins to remain flat largely due to partial wage hike impact, which will be mitigated by currency depreciation.
	Sales	114.1	98.4	15.9	112.9	1.0	
	EBIT	17.2	14.1	22.4	17.1	0.8	
	Margin (%)	*15.1*	*14.3*	*81 bps*	*15.1*	*-4 bps*	
	PBT	19.6	17.3	13.6	18.2	7.9	
	Adj. PAT	14.3	12.5	14.2	13.3	7.7	
L&T Technology Services	Sales (US$ mn)	307.6	335.3	-8.3	305.9	0.5	We expect LTTS revenue to grow by 0.8% QoQ in CC due to business seasonality. We expect margins to expand by 20bps QoQ.
	Sales	29.1	28.7	1.6	28.6	1.9	
	EBIT	4.5	3.8	17.4	4.4	2.9	
	Margin (%)	*15.4*	*13.3*	*207 bps*	*15.2*	*16 bps*	
	PBT	4.9	4.3	13.6	4.7	3.8	
	Adj. PAT	3.6	3.2	13.4	3.3	7.7	
Mphasis	Sales (US$ mn)	468.2	437.3	7.1	462.6	1.2	We expect MPHL to report decent growth of 1.3% QoQ CC. On the margin front, we expect a decline of 10bps QoQ, but within the guided band.
	Sales	43.7	37.3	17.0	42.4	2.9	
	EBIT	6.7	5.7	17.0	6.5	2.4	
	Margin (%)	*15.3*	*15.3*	*0 bps*	*15.4*	*-8 bps*	
	PBT	7.1	6.1	15.6	6.8	3.5	
	Adj. PAT	5.4	4.4	21.4	5.1	5.2	
Persistent Systems	Sales (US$ mn)	450.9	389.7	15.7	436.0	3.4	We expect PSYS to sustain its growth momentum with 3.5% QoQ CC. We expect margins to increase by 20bps QoQ.
	Sales	42.7	33.3	28.0	40.6	5.2	
	EBIT	7.0	5.2	36.0	6.6	6.8	
	Margin (%)	*16.5*	*15.5*	*97 bps*	*16.3*	*25 bps*	
	PBT	7.4	5.6	32.9	6.7	9.6	
	Adj. PAT	5.6	4.2	32.9	5.3	6.7	
Tata Consultancy Services	Sales (US$ mn)	7,628.4	7,421.0	2.8	7,621.0	0.1	We expect TCS to report low growth of 0.3% QoQ CC due to the Middle East crisis and slow ramp-up of deals. We expect EBIT margin to marginally decline by 30bps QoQ due to 3 months of wage impact. We expect deals wins in the band of US$7-9bn during the quarter.
	Sales	722.2	634.4	13.8	707.0	2.2	
	EBIT	180.5	155.1	16.4	178.7	1.0	
	Margin (%)	*25.0*	*24.5*	*54 bps*	*25.3*	*-28 bps*	
	PBT	189.9	169.8	11.9	183.6	3.4	
	Adj. PAT	141.9	127.6	11.2	137.2	3.4	

Company Name		Q1FY27E	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)	Remark
Tata Technologies	Sales (US$ mn)	169.4	145.3	16.6	170.8	-0.8	We expect Tata Tech to report a marginal growth of 0.5% QoQ in CC following a strong Q4 base, which grew 11.8% QoQ. We expect EBIT margin to remain flattish for the quarter
	Sales	16.0	12.4	28.9	15.7	2.0	
	EBIT	2.1	1.7	25.8	2.1	3.4	
	Margin (%)	*13.2*	*13.6*	*-32 bps*	*13.1*	*18 bps*	
	PBT	2.3	2.3	0.3	2.2	3.5	
	Adj. PAT	1.8	1.7	3.5	2.0	-13.6	
Tech Mahindra	Sales (US$ mn)	1,639.7	1,564.4	4.8	1,625.0	0.9	We expect TECHM to report growth of 1% QoQ CC driven by manufacturing and communications verticals. We expect another quarter of ~30bps margin improvement. We expect deal wins in the band of US$700-950mn during the quarter.
	Sales	155.2	133.5	16.3	150.8	3.0	
	EBIT	21.9	14.8	48.2	20.8	5.0	
	Margin (%)	*14.1*	*11.1*	*304 bps*	*13.8*	*28 bps*	
	PBT	20.3	16.2	25.7	17.9	13.6	
	Adj. PAT	14.9	11.4	30.8	13.5	10.2	
Tata Elxsi	Sales (US$ mn)	107.5	104.4	3.0	107.1	0.3	We expect TELX to report revenue growth of 1% QoQ CC and 0.3% QoQ in USD due to vertical specific softness. We expect EBIT margin to decline by 20bps QoQ.
	Sales	10.2	8.9	14.0	9.9	2.4	
	EBIT	2.2	1.6	38.5	2.2	1.7	
	Margin (%)	*22.1*	*18.2*	*390 bps*	*22.3*	*-16 bps*	
	PBT	2.9	2.0	45.7	2.7	6.8	
	Adj. PAT	2.2	1.4	50.6	2.2	-1.4	
Wipro	Sales (US$ mn)	2,609.1	2,587.4	0.8	2,651.0	-1.6	We expect IT services revenue to degrow by 0.9% QoQ CC and margins to decline by 80bps QoQ, due to the wage hike and Olam integration impact. We expect deals wins in the band of US$1-2bn during the quarter.
	Sales	249.8	221.3	12.9	242.4	3.1	
	EBIT	41.5	38.2	8.6	42.2	-1.8	
	Margin (%)	*16.6*	*17.3*	*-64 bps*	*17.4*	*-82 bps*	
	PBT	45.7	45.0	1.5	46.9	-2.6	
	Adj. PAT	34.6	30.8	12.1	35.3	-2.1	

Source: Company, PL

Exhibit 13: Valuation summary

Company Name	C/S	Rating	CMP (INR)	TP (INR)	Mcap (INR bn)	Sales (INR bn)				EBITDA (INR bn)				Adj. PAT (INR bn)				EPS (INR)				RoE (%)				PE (x)			
						FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
Coforge	C	BUY	1,442	1,980	483.4	120.7	164.0	246.5	287.5	17.2	30.5	48.9	56.3	8.4	17.1	25.2	30.3	26.3	51.0	58.6	70.6	16.8	21.5	13.2	10.2	54.8	28.2	24.6	20.4
Cyient	C	HOLD	879	900	97.8	73.6	72.7	79.6	86.8	11.5	9.7	12.4	13.7	6.2	5.3	7.2	8.0	56.0	48.0	64.4	71.8	13.0	9.7	12.2	12.8	15.7	18.3	13.7	12.2
Fractal Analytics	C	Accumulate	897	1,020	144.8	27.7	33.0	39.3	46.8	3.5	5.1	6.7	8.4	2.0	3.0	3.9	5.0	12.7	18.8	22.5	29.2	12.4	12.3	11.5	13.1	70.5	47.8	39.9	30.7
HCL Technologies	C	Accumulate	1,078	1,140	2,920.7	1,170.6	1,301.4	1,401.0	1,477.7	255.1	276.3	294.2	314.8	173.9	182.4	192.2	206.0	64.1	67.3	71.0	76.1	25.2	25.2	25.2	26.4	16.8	16.0	15.2	14.2
Infosys	C	BUY	1,041	1,350	4,280.7	1,629.9	1,786.5	1,950.3	2,071.8	392.4	424.4	471.9	506.2	267.1	304.0	320.7	342.7	64.5	73.9	79.3	84.7	29.0	32.2	34.4	36.7	16.1	14.1	13.1	12.3
KPIT Technologies	C	HOLD	559	580	152.0	58.4	64.5	66.1	73.1	12.3	13.5	12.9	14.8	7.7	6.4	6.3	7.9	28.4	23.6	23.2	29.2	30.3	19.9	17.2	19.9	19.7	23.7	24.1	19.2
Latent View Analytics	C	BUY	279	350	57.6	8.5	10.6	12.9	15.5	2.0	2.5	2.9	3.6	1.8	2.1	2.4	2.9	9.0	10.2	11.5	14.1	12.7	12.7	12.4	13.5	30.9	27.4	24.3	19.7
LTM	C	Accumulate	3,681	4,020	1,090.6	380.1	423.1	467.8	510.5	64.9	75.6	84.6	92.7	46.0	53.9	60.4	66.4	155.3	181.8	204.0	224.1	21.5	23.1	23.3	22.1	23.7	20.2	18.0	16.4
L&T Technology Services	C	HOLD	3,167	3,130	335.6	96.4	110.0	121.1	133.8	17.9	19.4	22.2	24.8	11.9	12.8	14.8	16.6	112.8	121.0	139.9	156.7	20.9	20.4	21.6	21.4	28.1	26.2	22.6	20.2
Mphasis	C	BUY	2,245	2,990	430.0	142.3	158.8	179.7	201.6	26.5	29.8	33.8	38.1	17.0	19.0	22.2	25.0	89.3	99.1	115.2	129.8	18.5	18.6	19.7	20.0	25.2	22.7	19.5	17.3
Persistent Systems	C	BUY	4,581	5,570	717.7	119.4	147.5	184.4	221.5	20.6	28.0	35.0	42.3	14.0	19.5	24.1	29.3	90.2	124.7	153.0	185.8	24.8	27.6	27.7	27.3	50.8	36.7	29.9	24.7
Tata Consultancy Services	C	BUY	2,068	2,540	7,482.6	2,553.2	2,670.2	2,886.6	3,060.6	672.8	724.0	791.5	845.0	485.5	528.2	574.1	612.0	134.2	146.0	158.7	169.1	51.8	52.3	52.2	52.8	15.4	14.2	13.0	12.2
Tata Technologies	C	SELL	712	510	290.8	51.7	55.1	65.4	72.6	9.3	8.6	11.1	13.0	6.8	6.6	7.6	9.0	16.7	16.3	18.8	22.1	19.9	17.7	18.9	20.8	42.7	43.8	37.9	32.2
Tech Mahindra	C	BUY	1,421	1,650	1,261.3	529.9	568.2	622.6	668.2	69.9	90.3	110.9	122.0	42.5	50.8	67.9	77.3	48.0	57.3	76.5	87.0	15.1	17.1	21.8	24.2	29.6	24.8	18.6	16.3
Tata Elxsi	C	HOLD	3,671	3,790	228.7	37.3	37.6	40.9	45.6	9.7	8.5	9.7	11.3	7.8	7.0	8.5	9.8	126.0	112.1	136.5	157.7	29.3	23.7	26.3	26.7	29.1	32.7	26.9	23.3
Wipro	C	HOLD	174	170	1,826.4	890.9	926.2	1,000.9	1,041.6	180.9	189.9	199.5	208.3	131.4	135.3	142.1	150.4	12.5	12.9	13.5	14.3	16.6	15.8	15.8	16.3	13.9	13.5	12.9	12.1

Source: Company, PL *C = Consolidated / S = Standalone*

Exhibit 14: Change in estimates

	Rating		Target Price (INR)			Sales (INR bn)						PAT (INR bn)						EPS (INR)					
						FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Coforge	BUY	BUY	1,980	2,020	-2.0%	246.5	246.7	-0.1%	287.5	289.5	-0.7%	25.2	25.2	-0.1%	30.3	30.6	-0.8%	58.6	58.6	-0.1%	70.6	71.1	-0.8%
Cyient	HOLD	BUY	900	950	-5.3%	79.6	82.5	-3.5%	86.8	91.0	-4.7%	7.2	7.8	-7.9%	8.0	8.9	-10.1%	64.4	70.0	-8.0%	71.8	80.0	-10.2%
Fractal Analytics	Accumulate	HOLD	1,020	1,040	-1.9%	39.3	38.4	2.4%	46.8	44.9	4.2%	3.9	3.8	2.4%	5.0	4.8	4.6%	22.5	22.0	2.4%	29.2	27.9	4.6%
HCL Technologies	Accumulate	REDUCE	1,140	1,300	-12.3%	1,401.0	1,402.0	-0.1%	1,477.7	1,487.7	-0.7%	192.2	191.9	0.1%	206.0	207.9	-0.9%	71.0	70.9	0.0%	76.1	76.8	-1.0%
Infosys	BUY	BUY	1,350	1,570	-14.0%	1,950.3	1,964.1	-0.7%	2,071.8	2,132.5	-2.8%	320.7	324.4	-1.2%	342.7	353.9	-3.2%	79.3	80.2	-1.2%	84.7	87.5	-3.2%
KPIT Technologies	HOLD	BUY	580	880	-34.1%	66.1	69.5	-5.0%	73.1	78.5	-6.9%	6.3	7.7	-17.7%	7.9	9.2	-14.1%	23.2	28.2	-17.7%	29.2	33.9	-14.1%
Latent View Analytics	BUY	BUY	350	450	-22.2%	12.9	13.0	-0.9%	15.5	15.8	-1.7%	2.4	2.5	-4.9%	2.9	3.1	-4.9%	11.5	12.0	-4.9%	14.1	14.9	-4.9%
LTM	Accumulate	HOLD	4,020	4,560	-11.8%	467.8	472.2	-0.9%	510.5	520.2	-1.9%	60.4	60.9	-0.8%	66.4	67.7	-1.9%	204.0	205.6	-0.8%	224.1	228.5	-1.9%
L&T Technology Services	HOLD	HOLD	3,130	3,610	-13.3%	121.1	120.8	0.2%	133.8	134.1	-0.2%	14.8	14.8	0.4%	16.6	16.6	-0.2%	139.9	139.4	0.4%	156.7	157.1	-0.2%
Mphasis	BUY	BUY	2,990	3,000	-0.3%	179.7	179.2	0.3%	201.6	202.0	-0.2%	22.2	22.2	0.2%	25.0	25.2	-0.6%	115.2	115.0	0.2%	129.8	130.6	-0.6%
Persistent Systems	BUY	BUY	5,570	6,400	-13.0%	184.4	178.8	3.1%	221.5	215.4	2.8%	24.1	23.5	2.7%	29.3	28.8	1.6%	153.0	148.9	2.7%	185.8	182.8	1.6%
Tata Consultancy Services	BUY	BUY	2,540	3,450	-26.4%	2,886.6	2,909.4	-0.8%	3,060.6	3,118.3	-1.9%	574.1	579.1	-0.9%	612.0	623.9	-1.9%	158.7	160.0	-0.9%	169.1	172.4	-1.9%
Tata Technologies	SELL	HOLD	510	560	-8.9%	65.4	65.6	-0.4%	72.6	73.2	-0.9%	7.6	7.7	-0.4%	9.0	9.1	-1.0%	18.8	18.9	-0.4%	22.1	22.3	-1.0%
Tech Mahindra	BUY	BUY	1,650	1,660	-0.6%	622.6	620.6	0.3%	668.2	670.2	-0.3%	67.9	69.8	-2.7%	77.3	77.7	-0.5%	76.5	78.6	-2.7%	87.0	87.4	-0.5%
Tata Elxsi	HOLD	HOLD	3,790	4,800	-21.0%	40.9	41.1	-0.4%	45.6	46.1	-1.1%	8.5	8.5	-0.2%	9.8	9.9	-1.2%	136.5	136.9	-0.2%	157.7	159.6	-1.2%
Wipro	HOLD	HOLD	170	200	-15.0%	1,000.9	998.6	0.2%	1,041.6	1,044.4	-0.3%	142.1	141.5	0.4%	150.4	150.7	-0.1%	13.5	13.5	0.4%	14.3	14.3	-0.1%

Source: Company, PL *C = Current / P = Previous*

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	Buy	2020	1466
2	Cyient	BUY	950	780
3	Fractal Analytics	Hold	1040	1034
4	HCL Technologies	Reduce	1300	1441
5	Infosys	BUY	1570	1241
6	KPIT Technologies	BUY	880	723
7	L&T Technology Services	Hold	3610	3550
8	Latent View Analytics	Buy	450	309
9	LTM	HOLD	4560	4342
10	Mphasis	BUY	3000	2233
11	Persistent Systems	BUY	6400	4842
12	Tata Consultancy Services	BUY	3450	2589
13	Tata Elxsi	HOLD	4800	4651
14	Tata Technologies	HOLD	560	591
15	Tech Mahindra	Buy	1660	1463
16	Wipro	HOLD	200	210

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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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