PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

# LTM (LTM IN)

July 12, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

**Change in Estimates**

| | Current | | Previous | |
|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E |
| Rating | ACCUMULATE | | ACCUMULATE | |
| Target Price | 4,200 | | 4,020 | |
| Sales (INR bn) | 471 | 512 | 468 | 510 |
| % Chng. | 0.6 | 0.4 | | |
| EBITDA (INR bn) | 86 | 95 | 85 | 93 |
| % Chng. | 1.2 | 2.2 | | |
| EPS (INR) | 207.9 | 228.9 | 203.9 | 224.0 |
| % Chng. | 2.0 | 2.2 | | |

**Key Data** LTIM.BO | LTM IN

| | |
|---|---|
| BSE Code | 540005 |
| NSE Code | LTM |
| 52-W High / Low | INR 6,430 / INR 3,528 |
| Face Value | 1 |
| Sensex / Nifty | 77,569 / 24,207 |
| Market Cap | INR 1,198 bn / $ 12,562 mn |
| Shares Outstanding | 296.62 mn |
| 3M Avg. Daily Value | INR 1,902.82 mn |

**Shareholding Pattern (%)**

| | |
|---|---|
| Promoters | 68.52 |
| FIIs | 6.63 |
| MF | 4.33 |
| DII | 12.68 |
| Public | 7.84 |
| Promoter's Pledge | - |

**Stock Performance (%)**

| | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| Absolute | 2.4 | (10.4) | (33.1) | (24.1) |
| Relative | (2.4) | (10.4) | (27.9) | (18.6) |

**Key Financials - Consolidated**

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Sales (INR bn) | 380 | 423 | 471 | 512 |
| EBITDA (INR bn) | 65 | 76 | 86 | 95 |
| *Margin (%)* | *17.1* | *17.9* | *18.3* | *18.5* |
| PAT (INR bn) | 46 | 54 | 62 | 68 |
| EV (INR bn) | 1,087 | 1,049 | 1,021 | 979 |
| Total Debt (INR bn) | - | - | - | - |
| C&C Eq. (INR bn) | 21 | 23 | 31 | 53 |
| EPS (INR) | 155.3 | 181.8 | 208.0 | 228.9 |
| *Gr. (%)* | *0.2* | *17.1* | *14.4* | *10.1* |
| DPS (INR) | 65.1 | 75.1 | 75.1 | 75.1 |
| *Yield (%)* | *1.6* | *1.9* | *1.9* | *1.9* |
| *RoE (%)* | *21.5* | *23.1* | *23.7* | *22.4* |
| *RoCE (%)* | *19.1* | *20.3* | *21.1* | *19.9* |
| EV/Sales (x) | 2.9 | 2.5 | 2.2 | 1.9 |
| EV/EBITDA (x) | 16.7 | 13.9 | 11.8 | 10.3 |
| PE (x) | 26.0 | 22.2 | 19.4 | 17.6 |
| P/BV (x) | 5.3 | 5.0 | 4.3 | 3.7 |

## Steady quarter, painting positive outlook for FY27

**Quick Pointers**

- Recovery in top clients growth
- AI related revenue at quarterly run-rate of ~USD 150 mn

**The revenue growth (+0.3% QoQ CC) was tad below our estimates, aided by resuming growth within marquee accounts, validated through healthy growth within Tech vertical (up 3.4% QoQ CC). The weakness in Consumer and Production verticals was led by delayed ramp up (CBDT) and LQ passthrough hiccups. The India-led NN deal should start contributing from Q2 (although not to its full potential), delay in hardware procurement and memory chip shipment impacted Q1 revenue. We believe the revenue softness in Q1 should get compensated against the large deal ramp up and continued growth momentum in key verticals beyond Consumer. The strategic re-positioning on horizontal lines and AI-led work translates to USD150m quarterly run-rate in Q1, which is expected to accelerate even further as AI-led services transit from "creation" to "deployment". On margins, it fairly exceeded our estimates due to internal margin program (fit-for-future/new-horizon) and INR depreciation in Q1, nullified the wage hike impact of ~100bps qoq. The internal deployment of AI is driving incremental efficiency within S&M team, hence limiting additional resource hiring and controlling SG&A expenses. We are keeping our CC revenue unchanged at 6.0%/7.0% YoY in FY27E/FY28E, while passing on Q1 margin beat, and revising our margins upward by 30bps each for FY27E/FY28E. With that our EPS sees an upgrade of ~2.0% each in FY27E/FY28E. We assign 18x PE to FY28E EPS for a TP of 4,200. Full valuations limits further upside. Maintain ACCUMULATE.**

**Revenue:** LTM reported Q1 revenue of US$1.23bn, up 0.1% QoQ in reported terms and 0.3% in CC terms, slightly below our estimates. Performance was impacted by seasonal pass through in the Production segment, leading to a 5.7% QoQ CC decline, while Consumer segment declined 0.7% QoQ CC due to delayed ramp ups and delayed projects in India and Middle East. This was largely offset by strong growth in Financial Services and Tech & Services segments (+3.2% and +3.4% QoQ CC, respectively).

**Operating Margin:** EBIT margins improved by 40 bps QoQ to 15.5%, above our and consensus estimate of 15.1%. The sequential improvement was primarily driven by operational efficiencies from the New Horizon program & favourable currency movements, partially offset by wage hike impact (100 bps).

**Deal Wins:** Deal wins remained steady including 2 large deal wins, with Q1 order inflow at US$1.7bn (7th consecutive quarter of >$1.5bn bookings), driven by large & AI-led transformation deals.

**Quarter Summary**

| Y/e Mar | Q1'27E | Q1'27A | % Var. | Q1'26A | YoY gr. (%) |
|---|---|---|---|---|---|
| Net Sales (INR bn) | 114 | 116 | *2.0* | 98 | *18.0* |
| EBITDA (INR bn) | 20 | 21 | *5.0* | 16 | *31.0* |
| *Margin (%)* | *17.6* | *17.8* | *20 bps* | *16.8* | *100 bps* |
| PAT (INR bn) | 14 | 15 | *7.0* | 13 | *15.0* |

*Source: Company, PL*

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## Steady quarter, top clients have improved sequentially

- Revenue stood at USD 1.22 bn, up 0.3% QoQ in CC, below our est. of 0.5% QoQ CC
- Vertical wise growth was led by Financial and Technology services, grew by 3.2% and 3.4% QoQ CC, while Consumer and Production remain weak, down 0.7% and 5.7% QoQ CC, respectively
- Geography wise, NA up 2.4% QoQ CC, Europe and ROW down 1.6% and 9.4% QoQ CC, respectively
- **Top 5 and Top 10 clients have improved sequentially, up 4.5% and 4.3% QoQ, respectively.**
- Adj. EBIT margin came at 15.5%, up 40 bps % QoQ, above our of 15.1% due to controlled direct and SG&A expenses despite the muted topline
- **Net headcount down by 64 QoQ, largely driven by sales & support (down 245), while software professionals were up 181 QoQ**
- **Utilization up by 70 bp QoQ to 86.4%. TTM Attrition stood flat QoQ to 13.3%**
- Order inflows stood steady at USD 1.68 bn, down 0.6% QoQ & up 3.1% YoY, with BTB of 1.4x
- PAT came in at INR 14.7 bn, up 9.5% QoQ & 17.1% YoY due to higher other income (net) at INR~1,800 vs ~1,100 LQ.

## Conference Call Highlights

- Management emphasized that productivity-linked pricing transitions with top clients are now complete, removing a key headwind. This shift is seen as strengthening strategic positioning, as outcome-based constructs (BlueVerse Currency) are increasingly adopted.
- Geography-wise, North America showed broad-based growth across Tech and BFSI, while Europe benefited from AI-led data transformation deals. Middle East softness was attributed to geopolitical uncertainty and hardware shipment delays, though exposure remains less than 3% of revenues.
- Management reiterated that the AI-centric pivot is now fully embedded across three lines of business (iRun, iTransform, Business AI) and four types of AI work (Enterprise, Business, Industrial, Creative), with the BlueVerse ecosystem acting as the foundation for talent, domain-specific SLMs, and pre-built agents. AI revenues across these streams has reached ~$150bn quarterly run-rate.
- Management highlighted that client conversations are increasingly shifting from AI experimentation to AI deployment and are centered on AI monetization and ROI, with enterprises now focusing on scaling production use-cases and realizing business outcomes.
- Management stated that the company continues to witness strong traction for BlueVerse Voicing and has completed 17 unique implementations over the last 12 months, with engagements increasingly following outcome-based commercial constructs due to Blueverse currency.
- Management remains confident of delivering growth above FY26 levels and expects to maintain FY26 level margins or better after incorporating the Randstad acquisition, aided by synergy benefits and continued organic margin expansion
- Management views hyperscaler/AI-lab FD build-outs as an opportunity, not a threat, drawing a parallel to the cloud era where LTM ended up as either customer or partner to hyperscalers' professional services arms.
- LTM added 1,308 freshers during Q1FY27 and expects a similar run-rate through the year, while continuing to invest in AI-native talent capabilities

**Exhibit 1:** Quarterly Estimates

| (INR mn) | Q1FY27 | YoY gr. (%) | Q2FY27E | YoY gr. (%) | Q3FY27E | YoY gr. (%) | Q4FY27E | YoY gr. (%) |
|---|---|---|---|---|---|---|---|---|
| Sales | 1,16,080 | 18.0 | 1,16,216 | 11.8 | 1,18,451 | 9.9 | 1,20,178 | 6.4 |
| EBIT | 17,993 | 27.9 | 18,595 | 12.8 | 18,952 | 9.1 | 19,317 | 13.0 |
| *Margin (%)* | *15.5* | *120bps* | *16.0* | *10bps* | *16.0* | *-10bps* | *16.1* | *90bps* |
| Adj. PAT | 14,686 | 17.1 | 15,356 | 11.2 | 15,651 | 12.6 | 15,944 | 20.3 |

*Source: Company, PL*

**Exhibit 2:** Q1FY27 Result: Marginal miss in revenue, beat in operating margin

| | 1QFY27 | 1QFY27E | % Var. | 4QFY26 | QoQ gr. | 1QFY26 | YoY gr. | FY27E | FY26 | YoY gr. |
|---|---|---|---|---|---|---|---|---|---|---|
| **IT Services Revenue (USD m)** | **1,224** | **1,226** | **-0.2** | **1,222** | **0.1** | **1,153** | **6.1** | **5,027** | **4,764** | **5.5** |
| **Overall Revenue (INR b)** | **116** | **114** | **1.8** | **113** | **2.8** | **98** | **18.0** | **470** | **423** | **11.0** |
| Gross Profit | 32 | 33 | -0.5 | 31 | 3.5 | 29 | 13.5 | 138 | 123 | 11.7 |
| *Gross Margin (%)* | *28.0* | *28.6* | *-60bps* | *27.8* | *20bps* | *29.1* | *-110bps* | *29.3* | *29.1* | *20bps* |
| SG&A and Other Costs | 11.9 | 12.5 | -5.5 | 11.6 | 2.0 | 12.1 | -2.1 | 51 | 48 | 6.6 |
| *% of Rev* | *10.2* | *11.0* | *-80bps* | *10.3* | *-10bps* | *12.3* | *-210bps* | *10.8* | *11.3* | *-40bps* |
| **EBITDA** | **21** | **20** | **2.7** | **20** | **4.4** | **16** | **24.9** | **87** | **76** | **14.8** |
| *EBITDA Margin (%)* | *17.8* | *17.6* | *20bps* | *17.5* | *30bps* | *16.8* | *100bps* | *18.5* | *17.9* | *60bps* |
| Depreciation | 3 | 3 | -8.4 | 3 | -1 | 2 | 7.6 | 11 | 11 | 8.7 |
| *% of Rev* | *2.3* | *2.5* | *-20bps* | *2.3* | *-10bps* | *2.5* | *-20bps* | *2.4* | *2.5* | *-10bps* |
| **EBIT** | **18** | **17** | **4.5** | **17** | **5.3** | **14** | **27.9** | **75** | **65** | **15.8** |
| *EBIT Margin (%)* | *15.5* | *15.1* | *40bps* | *15.1* | *40bps* | *14.3* | *120bps* | *16.0* | *15.4* | *70bps* |
| Other Income (net) | 2 | 2 | -25.2 | 1 | 63.7 | 3 | -44.0 | 9 | 8 | 12.7 |
| **PBT** | **20** | **20** | **0.8** | **18** | **8.8** | **17** | **14.6** | **85** | **73** | **15.5** |
| Tax | 5 | 5 | -3.8 | 5 | 3.3 | 5 | 8.1 | 23 | 20 | 14.7 |
| *Effective tax rate (%)* | *25.8* | *27.0* | *-120bps* | *27.1* | *-140bps* | *27.3* | *-160bps* | *26.7* | *26.9* | *-20bps* |
| **Adjusted PAT** | **15** | **14** | **2.6** | **13** | **10.8** | **13** | **17.1** | **62** | **54** | **15.0** |
| Exceptional items | 0 | 0 | NA | -1 | NA | 0 | NA | 0 | 4 | NA |
| **Reported PAT** | **15** | **14** | **2.6** | **14** | **5.9** | **13** | **17.1** | **62** | **50** | **23.4** |
| **Reported EPS (INR)** | **49** | **48** | **2.4** | **45** | **10.2** | **42** | **16.9** | **209** | **182** | **15.0** |

*Source: Company, PL*

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

| Geographies | Contri. To Rev. (%) | QoQ Growth (%) |
|---|---|---|
| North America | 73.9 | 2.3 |
| Europe | 15.0 | (2.5) |
| RoW | 11.1 | (9.7) |

*Source: Company, PL*

**Exhibit 4:** Vertical Growth (%)

| Verticals | Contri. To Rev. (%) | QoQ Growth (%) |
|---|---|---|
| Financial Services | 34.0 | 3.1 |
| Consumer | 26.6 | (1.0) |
| Technology & Services | 20.0 | 3.2 |
| Production | 19.4 | (6.2) |

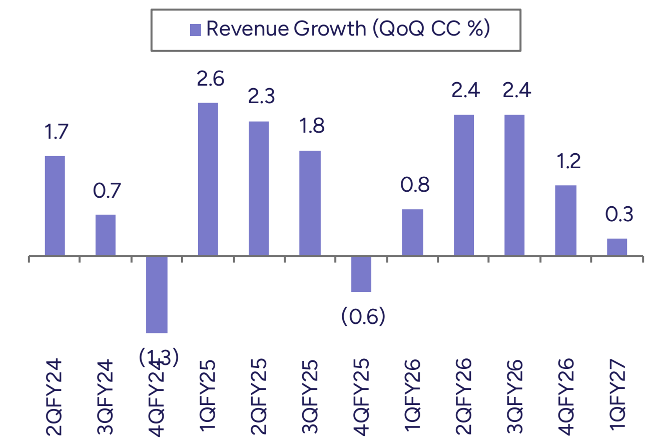
*Source: Company, PL*

**Exhibit 5: Key Performance Indicators**

| | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 | FY26* | FY27E* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Revenue (QoQ CC %)*** | ***2.6*** | ***2.3*** | ***1.8*** | ***-0.6*** | ***0.8*** | ***2.4*** | ***2.4*** | ***1.2*** | ***0.3*** | ***5.3*** | ***6.0*** |
| **Margins (%)** | | | | | | | | | | | |
| Gross Margin | 30.3 | 30.8 | 28.8 | 27.9 | 29.1 | 30.3 | 29.4 | 27.8 | 28.0 | 29.1 | 28.8 |
| EBIT Margin | 15.0 | 15.5 | 13.8 | 13.8 | 14.3 | 15.9 | 16.1 | 15.1 | 15.5 | 15.4 | 15.9 |
| Net Margin | 12.4 | 13.3 | 11.2 | 11.5 | 12.7 | 13.5 | 13.0 | 11.8 | 12.6 | 12.7 | 13.1 |
| **Operating metrics** | | | | | | | | | | | |
| Headcount (in '000) | 81.9 | 84.4 | 86.8 | 84.3 | 83.9 | 86.4 | 88.0 | 88.0 | 87.9 | 88.0 | - |
| *Attrition (%)* | *14.4* | *14.5* | *14.3* | *14.4* | *14.4* | *14.2* | *13.8* | *13.3* | *13.3* | *13.3* | - |
| Utilization (excl. trainees) | 88.3 | 87.7 | 85.4 | 85.8 | 88.1 | 88.1 | 86.9 | 85.7 | 86.4 | 85.7 | - |

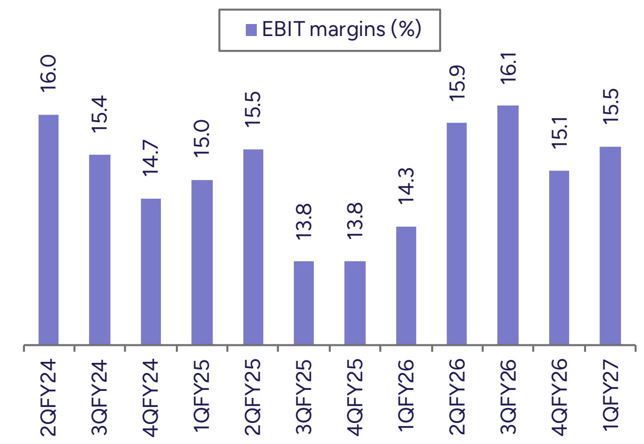
*Source: Company, PL*

**Exhibit 6: Q1 impacted by pass throughs and delayed ramp ups**



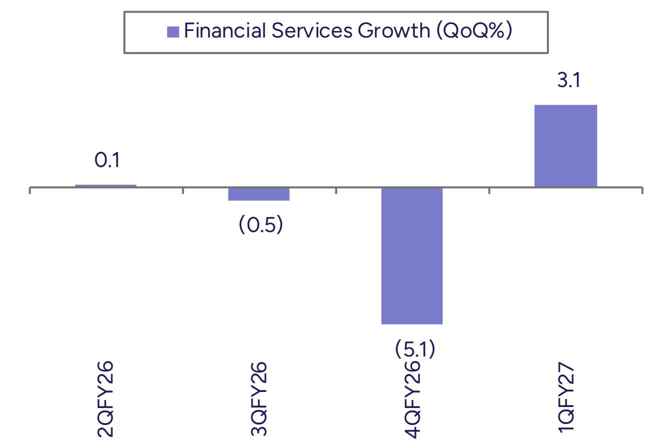

*Source: Company, PL*

**Exhibit 7: EBIT margin (%) improved by 40 bps QoQ**



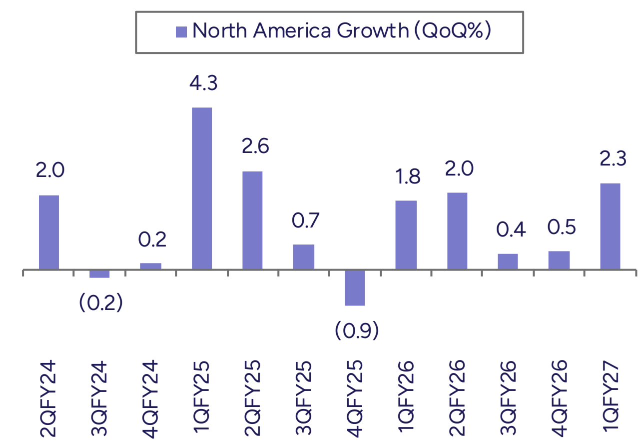

*Source: Company, PL*

**Exhibit 8: Financial Services sees sharp rebound**



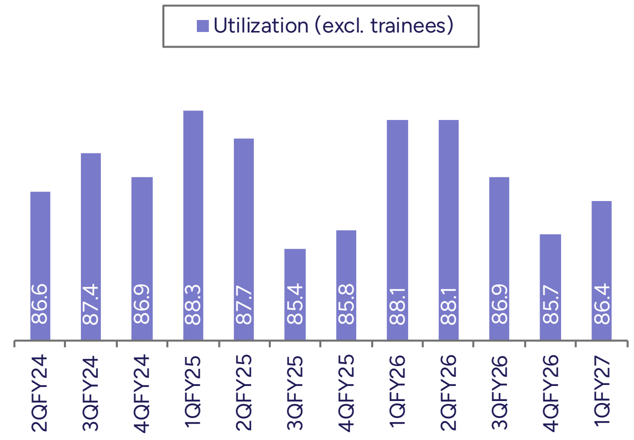

*Source: Company, PL*

**Exhibit 9: North America strong growth**



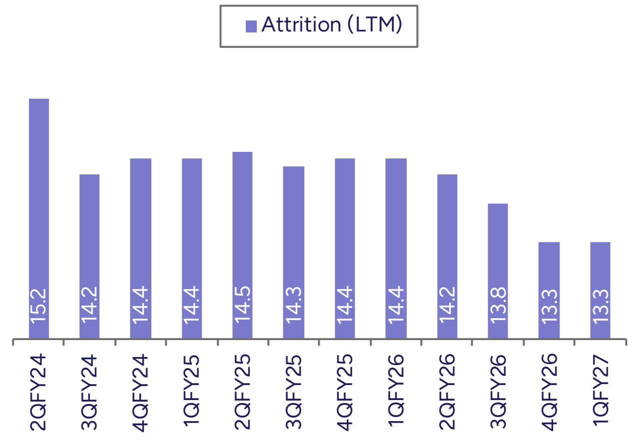

*Source: Company, PL*

**Exhibit 10:** Utilization (Ex. trainees %) improves after 2 declining quarters



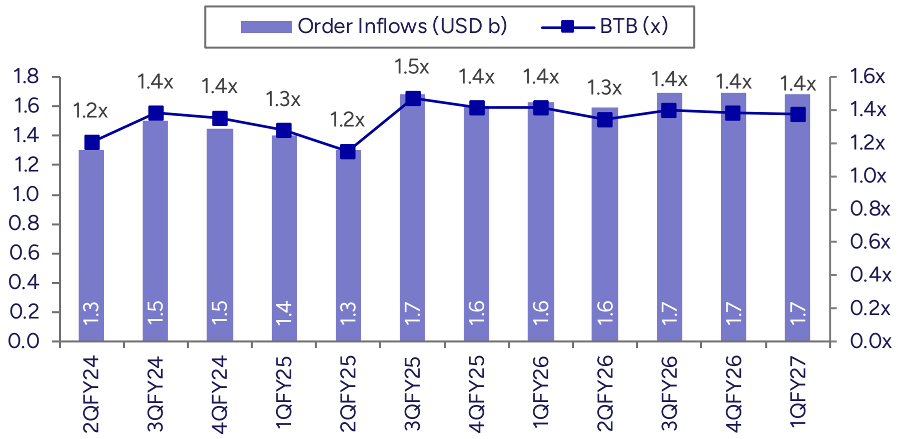

*Source: Company, PL*

**Exhibit 11:** Attrition (TTM %) remains flat at 13.3%




*Source: Company, PL*

**Exhibit 12:** Deal wins steady in Q1




*Source: Company, PL*

Exhibit 13: **Operating Metrics**

| | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue by verticals (%)** | | | | | | | | | | | | | |
| Financial Services | - | - | - | - | - | - | - | - | 37.0 | 36.2 | 35.2 | 33.0 | 34.0 |
| Consumer | - | - | - | - | - | - | - | - | 24.1 | 25.7 | 25.8 | 26.9 | 26.6 |
| Technology & Services | - | - | - | - | - | - | - | - | 19.3 | 18.6 | 18.2 | 19.4 | 20.0 |
| Production | - | - | - | - | - | - | - | - | 19.6 | 19.5 | 20.8 | 20.7 | 19.4 |
| **Revenue by geography (%)** | | | | | | | | | | | | | |
| North America | 73.1 | 73.4 | 72.7 | 73.8 | 75.1 | 75.0 | 74.7 | 74.5 | 74.4 | 74.2 | 72.8 | 72.3 | 73.9 |
| Europe | 15.2 | 15.3 | 14.5 | 14.6 | 14.4 | 14.4 | 13.8 | 13.6 | 14.7 | 14.7 | 14.8 | 15.4 | 15.0 |
| ROW | 11.7 | 11.3 | 12.8 | 11.6 | 10.5 | 10.6 | 11.5 | 11.9 | 11.0 | 11.1 | 12.4 | 12.3 | 11.1 |
| **Client metrics (% of revenues)** | | | | | | | | | | | | | |
| Top 5 client | 26.7 | 26.8 | 27.5 | 28.3 | 28.8 | 28.4 | 27.9 | 27.7 | 27.3 | 25.3 | 24.0 | 22.5 | 23.5 |
| Top 10 client | 34.1 | 34.3 | 35.3 | 35.5 | 35.7 | 35.0 | 34.5 | 34.3 | 34.3 | 32.8 | 31.7 | 30.7 | 32.0 |
| Top 20 client | 44.9 | 45.2 | 45.9 | 45.9 | 46.2 | 45.8 | 45.5 | 44.8 | 44.5 | 43.5 | 43.3 | 41.6 | 42.8 |
| Top 40 client | 57.2 | 57.6 | 58.5 | 58.0 | 58.9 | 58.2 | 58.1 | 57.2 | 56.8 | 56.1 | 56.8 | 55.3 | 56.1 |
| Non Top 20 clients | 55.1 | 54.8 | 54.1 | 54.1 | 53.8 | 54.2 | 54.5 | 55.2 | 55.5 | 56.5 | 56.7 | 58.4 | 57.2 |
| Number of active clients | 723 | 737 | 739 | 738 | 748 | 742 | 742 | 741 | 741 | 749 | 746 | 751 | 740 |
| New clients added in the period | 19 | 30 | 23 | 30 | 27 | 22 | 23 | 26 | 17 | 23 | 26 | 13 | 16 |
| **Million $ clients** | | | | | | | | | | | | | |
| 5 Million $ clients | 148 | 146 | 149 | 153 | 148 | 154 | 152 | 154 | 159 | 158 | 162 | 164 | 170 |
| 10 Million $ clients | 88 | 90 | 89 | 91 | 87 | 88 | 90 | 89 | 90 | 93 | 97 | 101 | 104 |
| 20 Million $ clients | 40 | 41 | 40 | 40 | 43 | 42 | 39 | 40 | 41 | 45 | 47 | 48 | 52 |
| 50 Million $ clients | 13 | 14 | 12 | 13 | 12 | 12 | 13 | 14 | 14 | 14 | 12 | 14 | 15 |
| 100 Million $ clients | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| **Employee metrics (in k's)** | | | | | | | | | | | | | |
| Development | 77.6 | 78.3 | 77.2 | 76.5 | 76.8 | 79.4 | 81.6 | 79.1 | 78.7 | 81.4 | 82.9 | 83.0 | 83.2 |
| Sales and support | 5.2 | 5.3 | 5.3 | 5.2 | 5.1 | 5.1 | 5.2 | 5.2 | 5.2 | 5.1 | 5.0 | 4.9 | 4.7 |
| Total employees | 82.7 | 83.5 | 82.5 | 81.7 | 81.9 | 84.4 | 86.8 | 84.3 | 83.9 | 86.4 | 88.0 | 88.0 | 87.9 |
| **Efforts mix** | | | | | | | | | | | | | |
| Onsite | 14.8 | 14.8 | 15.0 | 15.1 | 15.4 | 15.5 | 15.4 | 15.1 | 15.1 | 14.8 | 14.5 | 14.2 | 14.2 |
| Offshore | 85.2 | 85.2 | 85.0 | 84.9 | 84.6 | 84.5 | 84.6 | 84.9 | 84.9 | 85.2 | 85.5 | 85.8 | 85.8 |
| **Utilization measures** | | | | | | | | | | | | | |
| Excluding trainees | 84.8 | 86.6 | 87.4 | 86.9 | 88.3 | 87.7 | 85.4 | 85.8 | 88.1 | 88.1 | 86.9 | 85.7 | 86.4 |
| *Attrition LTM (%)* | *17.8* | *15.2* | *14.2* | *14.4* | *14.4* | *14.5* | *14.3* | *14.4* | *14.4* | *14.2* | *13.8* | *13.3* | *13.3* |

*Source: Company, PL*

## Financials

### Income Statement (INR bn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Net Revenues** | **380** | **423** | **471** | **512** |
| *YoY gr. (%)* | *7.0* | *11.3* | *11.3* | *8.7* |
| Cost of Goods Sold | 268 | 300 | 335 | 363 |
| Gross Profit | 112 | 123 | 136 | 149 |
| *Margin (%)* | *29.4* | *29.1* | *28.8* | *29.1* |
| Employee Cost | - | - | - | - |
| Other Expenses | - | - | - | - |
| | | | | |
| **EBITDA** | **65** | **76** | **86** | **95** |
| *YoY gr. (%)* | *1.7* | *16.3* | *14.1* | *9.8* |
| *Margin (%)* | *17.1* | *17.9* | *18.3* | *18.5* |
| | | | | |
| Depreciation and Amortization | 10 | 11 | 11 | 12 |
| | | | | |
| **EBIT** | **55** | **65** | **75** | **82** |
| *Margin (%)* | *14.5* | *15.4* | *15.9* | *16.1* |
| | | | | |
| Net Interest | - | - | - | - |
| Other Income | 7 | 8 | 9 | 10 |
| | | | | |
| **Profit Before Tax** | **62** | **73** | **84** | **93** |
| *Margin (%)* | *16.3* | *17.3* | *17.9* | *18.1* |
| | | | | |
| Total Tax | 16 | 20 | 22 | 25 |
| *Effective Tax Rate (%)* | *25.9* | *26.9* | *26.7* | *27.0* |
| | | | | |
| **Profit After Tax** | **46** | **54** | **62** | **68** |
| Minority Interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| | | | | |
| **Adjusted PAT** | **46** | **54** | **62** | **68** |
| *YoY gr. (%)* | *0.3* | *17.1* | *14.4* | *10.1* |
| *Margin (%)* | *12.1* | *12.7* | *13.1* | *13.3* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| | | | | |
| **Reported PAT** | **46** | **50** | **62** | **68** |
| *YoY gr. (%)* | *0.3* | *9.1* | *22.8* | *10.1* |
| *Margin (%)* | *12.1* | *11.9* | *13.1* | *13.3* |
| | | | | |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 46 | 50 | 62 | 68 |
| **Equity Shares O/s (bn)** | **-** | **-** | **-** | **-** |
| **EPS (INR)** | **155.3** | **181.8** | **208.0** | **228.9** |

*Source: Company, PL*

### Balance Sheet (INR bn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| | | | | |
| **Gross Block** | **79** | **95** | **103** | **112** |
| Tangibles | 62 | 78 | 86 | 95 |
| Intangibles | 17 | 17 | 17 | 17 |
| | | | | |
| **Acc: Dep / Amortization** | **50** | **61** | **72** | **84** |
| Tangibles | 37 | 47 | 58 | 71 |
| Intangibles | 14 | 14 | 14 | 14 |
| | | | | |
| **Net Fixed Assets** | **28** | **32** | **29** | **26** |
| Tangibles | 25 | 30 | 28 | 24 |
| Intangibles | 2 | 2 | 2 | 2 |
| | | | | |
| Capital Work In Progress | - | - | - | - |
| Goodwill | 12 | 13 | 13 | 13 |
| Non-Current Investments | 20 | 21 | 21 | 21 |
| Net Deferred Tax Assets | 5 | 13 | 7 | 7 |
| Other Non-Current Assets | 32 | 17 | 19 | 20 |
| | | | | |
| **Current Assets** | | | | |
| Investments | 89 | 125 | 145 | 165 |
| Inventories | - | - | - | - |
| Trade Receivables | 77 | 95 | 97 | 105 |
| Cash & Bank Balance | 21 | 23 | 31 | 53 |
| Other Current Assets | 20 | 29 | 28 | 31 |
| **Total Assets** | **306** | **372** | **395** | **446** |
| | | | | |
| **Equity** | | | | |
| Equity Share Capital | - | - | - | - |
| Other Equity | 227 | 240 | 279 | 325 |
| **Total Networth** | **227** | **240** | **280** | **325** |
| | | | | |
| **Non-Current Liabilities** | | | | |
| Long Term Borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Other Non Current Liabilities | 19 | 32 | 32 | 32 |
| | | | | |
| **Current Liabilities** | | | | |
| ST Debt / Current of LT Debt | - | - | - | - |
| Trade Payables | 15 | 21 | 19 | 20 |
| Other Current Liabilities | 44 | 77 | 63 | 67 |
| **Total Equity & Liabilities** | **306** | **372** | **395** | **446** |

*Source: Company, PL*

### Cash Flow (INR bn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| PBT | 46 | 50 | 62 | 68 |
| Add. Depreciation | 10 | 11 | 11 | 12 |
| Add. Interest | 3 | 3 | - | - |
| Less Financial Other Income | 7 | 8 | 9 | 10 |
| Add. Other | (8) | (9) | - | - |
| Op. Profit before WC Changes | 51 | 54 | 73 | 80 |
| Net Changes-WC | (5) | (5) | (14) | (7) |
| Direct Tax | - | - | - | - |
| **Net Cash from Op. Activities** | **45** | **48** | **59** | **73** |
| Capital Expenditures | (9) | (9) | (9) | (9) |
| Interest / Dividend Income | 4 | 6 | - | - |
| Others | (12) | (15) | (20) | (20) |
| **Net Cash from Invt. Activities** | **(17)** | **(18)** | **(29)** | **(29)** |
| Issue of Share Cap. / Premium | - | - | - | - |
| Debt Changes | (2) | (5) | - | - |
| Dividend Paid | (19) | (20) | (22) | (22) |
| Interest Paid | - | - | - | - |
| Others | (4) | (5) | - | - |
| **Net Cash from Fin. Activities** | **(26)** | **(29)** | **(22)** | **(22)** |
| **Net Change in Cash** | **2** | **1** | **8** | **22** |
| Free Cash Flow | 36 | 39 | 50 | 64 |

*Source: Company, PL*

### Quarterly Financials (INR bn)

| Y/e Mar | Q2FY26 | Q3FY26 | Q4FY26 | Q1FY27 |
|---|---|---|---|---|
| **Net Revenues** | **104** | **108** | **113** | **116** |
| *YoY gr. (%)* | *10.2* | *11.6* | *15.6* | *18.0* |
| Raw Material Expenses | 72 | 76 | 82 | 84 |
| Gross Profit | 32 | 32 | 31 | 32 |
| *Margin (%)* | *30.3* | *29.4* | *27.8* | *28.0* |
| **EBITDA** | **19** | **20** | **20** | **21** |
| *YoY gr. (%)* | *13.6* | *25.7* | *23.6* | *24.9* |
| *Margin (%)* | *18.6* | *18.6* | *17.5* | *17.8* |
| Depreciation / Depletion | 3 | 3 | 3 | 3 |
| **EBIT** | **16** | **17** | **17** | **18** |
| *Margin (%)* | *15.9* | *16.1* | *15.1* | *15.5* |
| Net Interest | - | - | - | - |
| Other Income | 2 | 2 | 1 | 2 |
| **Profit before Tax** | **19** | **19** | **18** | **20** |
| *Margin (%)* | *18.1* | *17.6* | *16.1* | *17.0* |
| Total Tax | 5 | 5 | 5 | 5 |
| *Effective Tax Rate (%)* | *26.5* | *26.6* | *27.1* | *25.8* |
| **Profit After Tax** | **14** | **14** | **13** | **15** |
| Minority Interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| **Adjusted PAT** | **14** | **14** | **13** | **15** |
| *YoY gr. (%)* | *12.0* | *29.1* | *17.9* | *16.9* |
| *Margin (%)* | *13.5* | *13.0* | *11.8* | *12.6* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| **Reported PAT** | **14** | **18** | **13** | **15** |
| *YoY gr. (%)* | *12.0* | *68.8* | *12.4* | *16.9* |
| *Margin (%)* | *13.5* | *17.0* | *11.2* | *12.6* |
| Other Comprehensive Income | - | - | - | - |
| **Total Comprehensive Income** | **14** | **18** | **13** | **15** |
| Avg. Shares O/s (bn) | - | - | - | - |
| **EPS (INR)** | **47.3** | **47.3** | **44.9** | **49.5** |

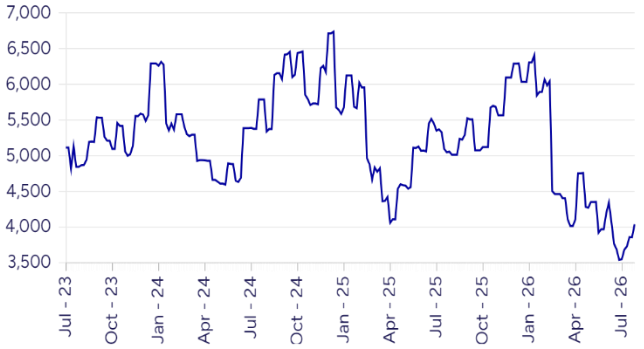
*Source: Company, PL*

### Key Financial Metrics

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Per Share (INR)** | | | | |
| EPS | 155.3 | 181.8 | 208.0 | 228.9 |
| CEPS | 188.7 | 217.4 | 246.4 | 270.4 |
| BVPS | 766.0 | 810.8 | 943.7 | 1,097.5 |
| FCF | 121.4 | 130.5 | 169.1 | 216.0 |
| DPS | 65.1 | 75.1 | 75.1 | 75.1 |
| **Return Ratio (%)** | | | | |
| RoCE | 19.1 | 20.3 | 21.1 | 19.9 |
| ROIC | 16.5 | 14.9 | 15.8 | 15.2 |
| RoE | 21.5 | 23.1 | 23.7 | 22.4 |
| **Balance Sheet** | | | | |
| Net Debt : Equity (x) | - | - | - | - |
| Net Working Capital (Days) | 59 | 64 | 60 | 60 |
| **Valuation (x)** | | | | |
| PER | 25.9 | 22.2 | 19.4 | 17.6 |
| P/B | 5.2 | 4.9 | 4.2 | 3.6 |
| P/CEPS | 21.3 | 18.5 | 16.3 | 14.9 |
| EV/EBITDA | 16.7 | 13.8 | 11.8 | 10.3 |
| EV/Sales | 2.8 | 2.4 | 2.1 | 1.9 |
| Dividend Yield (%) | 1.6 | 1.8 | 1.8 | 1.8 |
| FCFF Yield (%) | 3.0 | 3.2 | 4.1 | 5.3 |
| PEG Ratio | 127.0 | 1.3 | 1.3 | 1.7 |

*Source: Company, PL*

## Price Chart




## Recommendation History

| No. | Date | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | 02-Jul-26 | Accumulate | 4020 | 3681 |
| 2 | 03-Jun-26 | HOLD | 4560 | 4342 |
| 3 | 23-May-26 | HOLD | 4560 | 4008 |
| 4 | 24-Apr-26 | Hold | 4560 | 4532 |
| 5 | 01-Apr-26 | BUY | 5240 | 4107 |
| 6 | 20-Jan-26 | Hold | 6000 | 6407 |
| 7 | 02-Jan-26 | Hold | 5830 | 6112 |
| 8 | 17-Oct-25 | Hold | 5470 | 5623 |
| 9 | 04-Oct-25 | Hold | 5380 | 5120 |
| 10 | 18-Jul-25 | Hold | 5340 | 5195 |

## Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | Coforge | BUY | 1980 | 1442 |
| 2 | Cyient | HOLD | 900 | 879 |
| 3 | Fractal Analytics | Accumulate | 1020 | 897 |
| 4 | HCL Technologies | Accumulate | 1140 | 1078 |
| 5 | Infosys | BUY | 1350 | 1041 |
| 6 | KPIT Technologies | HOLD | 580 | 559 |
| 7 | L&T Technology Services | HOLD | 3130 | 3167 |
| 8 | Latent View Analytics | BUY | 350 | 279 |
| 9 | LTM | Accumulate | 4020 | 3681 |
| 10 | Mphasis | BUY | 2990 | 2245 |
| 11 | Persistent Systems | BUY | 5570 | 4581 |
| 12 | Tata Consultancy Services | BUY | 2500 | 2050 |
| 13 | Tata Elxsi | HOLD | 3790 | 3671 |
| 14 | Tata Technologies | Sell | 510 | 712 |
| 15 | Tech Mahindra | BUY | 1650 | 1421 |
| 16 | Wipro | HOLD | 170 | 174 |

## PL's Recommendation Nomenclature (Absolute Performance)

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

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