

IT Services: Q4FY26 Quarterly Results Preview

Sector View: Neutral

Broad-Based Stability led by FX Tailwinds Despite Macro Concerns

Recommendation			
Company (Ticker)	CMP (INR)	TP (INR)	Rated
IT Services			
Coforge (COFORGE)	1,213	2,000	BUY
Datamatics Global (DATA)	705	920	BUY
Fractal Analytics (FRACTAL)	793	980	BUY
Happiest Minds (HAPPSTMN)	393	620	BUY
HCL Tech (HCLT)	1,402	1,600	ADD
Infosys (INFO)	1,301	1,650	BUY
LTI Mindtree (LTIM)	4,304	5,920	BUY
Mphasis (MPHL)	2,210	2,888	BUY
Persistent Systems (PSYS)	5,228	6,515	BUY
Tata Cons. Services (TCS)	2,451	3,350	BUY
Tech Mahindra (TECHM)	1,442	1,700	BUY
Wipro (WPRO)	195	215	ADD
Zensar Tech (ZENT)	544	920	BUY

*CMP as on Apr 02, 2026

Q4FY26E Likely to Benefit from FX Tailwinds and Execution Stability

IT services companies are likely to report a resilient Q4FY26E, aided by the reversal of furloughs, stable deal ramp-ups, continued vendor consolidation, and a healthy AI-led pipeline, despite macro headwinds and rising GenAI disruption concerns. Further, the ~2.5% QoQ depreciation in average INR against the USD is expected to provide a meaningful translation tailwind to reported INR revenues and margins. **Supportive cross-currency movements should also add ~0% to 0.5% sequential uplift to USD revenues.**

Against this backdrop, we expect sequential revenue growth in the range of ~0.5% to 9%+ in INR terms across the coverage universe. We have revised our Target Prices factoring in the revised USD/INR rates and any respective new developments including large deal wins and M&As.

AI-led Efficiencies to Support Margin Performance

Margins are expected to remain positively skewed, with select companies likely to deliver 0% to 1.9% sequential expansion, driven by productivity-led efficiencies and continued cost optimization initiatives. That said, the benefit may be partially offset by wage revisions, integration costs from acquisitions, and higher SG&A investments in select companies.

Mid-cap IT Still Best Placed for Relative Outperformance

As highlighted in our earlier note, we continue to prefer mid-cap IT, and believe this positioning remains well supported in Q4FY26. **We expect mid-cap players to deliver better organic sequential performance than Tier-1 peers, driven by stronger demand traction, better execution resilience, and a more favorable growth profile.** This relative strength is also likely to be supported by currency tailwinds, further reinforcing our constructive stance on the segment. **Our preferred long-term investment ideas remain COFORGE, PSYS, HAPPSTMN, and FRACTAL.**

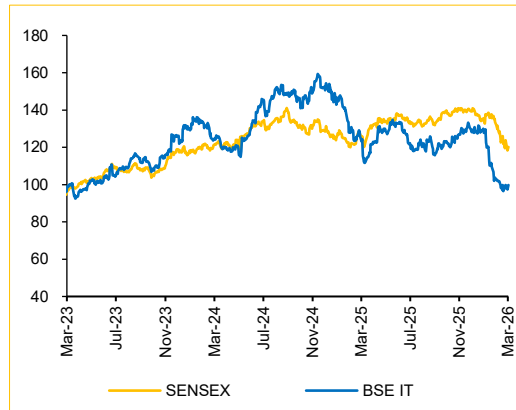
Valuation and Preferred Ideas

- Tier-II Structural Beneficiaries of the Next Technology Cycle
- Better Aligned to the Emerging Industry Model
- Valuations Have Turned More Supportive

Hence, our preferred long-term investment ideas remain; **COFORGE (65% upside), PSYS (25% upside), HAPPSTMN (58% upside) and FRACTAL (24% upside).**

Revised Target Prices Reflect EPS Estimate Changes led by USD/INR Impact

INR Depreciation assumption v/s USD Currency	Previous EPS Estimates		New EPS Estimates		Change in EPS Estimates		Old TP	New TP
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E		
Avg. USD/INR Exchange Rate	91.6	92.9	93.8	96.0				
TCS	155	172	158	177	2.1%	2.5%	3,275	3,350
INFY	79	87	82	91	4.4%	4.5%	1,580	1,650
WPRO	13	15	13	15	0.7%	0.4%	215	215
HCLT	73	85	77	91	5.0%	8.0%	1,500	1,600
TECHM	72	88	78	92	8.5%	4.5%	1,600	1,700
LTM	220	264	221	272	0.2%	3.1%	5,815	5,920
PSYS	153	201	161	211	5.4%	4.8%	6,200	6,515
COFORGE	44	65	45	69	3.3%	6.6%	1,900	2,000
MPHL	115	136	120	142	5.0%	4.8%	2,750	2,888
ZENT	39	43	39	44	2.3%	1.9%	900	920
HAPPSTMN	19	24	20	26	3.1%	8.3%	585	620
DATAMATICS	44	48	44	49	0.0%	1.2%	920	920
FRACTAL (new addition)	-	-	23	32	-	-	-	980



Relative Performance (%)			
YTD	3Y	2Y	1Y
SENSEX	22.5	(1.0)	(4.1)
BSE IT	(0.4)	(20.3)	(16.6)

Recent Report Links:

- [Technology_IT Channel Check](#)
- [Technology_Sector Update](#)
- [Fractal Analytics_Initiating Coverage](#)

Dhanshree Jadhav

Email: dhanshree.jadhav@choiceindia.com
Ph: +91 22 6707 9535

Shreya Mehra

Email: Shreya.mehra@choiceindia.com
Ph: +91 22 6707 9535

- In the light of rising macro uncertainty, particularly due to escalating Middle East tension, we have factored in the corresponding impact into our USD/INR assumption.
- Based on our analysis, we believe our preferred ideas — COFORGE, PSYS, HAPPSTMN and FRACTAL - remain relatively better positioned to deliver growth stronger than its peers.
- They also remain well positioned in context of exposure to the Middle East with relatively lower exposure.

IT Services

Peer Comparison

Company	CMP (INR)	TP (INR)	Revenue CAGR (FY26-29E)	EPS CAGR (FY26-29E)	EBITM (%)				EPS (INR)				PE (x)			
					FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E	FY26E	FY27E	FY28E	FY29E
TCS	2,451	3,350	7.9%	12.4%	25.0	25.7	26.6	27.0	135.7	158.4	176.8	192.8	17.7	15.2	13.6	12.5
INFO	1,301	1,650	10.2%	13.5%	20.9	21.5	22.0	22.7	70.0	82.3	91.4	102.2	18.1	15.4	13.9	12.4
WPRO	195	215	7.9%	12.3%	16.0	15.7	16.8	17.7	12.3	13.3	15.4	17.5	15.5	14.4	12.4	11.0
HCLT	1,402	1,600	11.9%	18.7%	17.3	18.0	19.1	19.4	61.4	77.1	91.3	102.5	22.3	17.7	15.0	13.3
TECHM	1,442	1,700	9.0%	23.1%	12.6	15.1	16.2	17.3	57.5	77.8	92.2	107.3	24.4	18.0	15.2	13.1
LTM	4,304	5,920	12.8%	26.3%	15.4	16.5	17.5	18.3	157.0	220.9	272.4	316.0	26.6	18.9	15.4	13.2
PSYS	5,228	6,515	21.6%	31.6%	16.3	17.5	19.2	20.1	116.4	161.2	211.1	265.5	43.9	31.7	24.2	19.2
COFORGE	1,213	2,000	25.3%	28.3%	13.4	14.0	14.9	15.5	40.2	45.3	69.0	84.8	29.3	26.0	17.1	13.9
MPHL	2,210	2,888	13.2%	17.7%	15.2	16.3	17.0	17.1	96.3	120.5	142.0	157.1	22.3	17.8	15.1	13.6
ZENT	544	920	10.7%	13.6%	16.2	16.7	17.2	17.7	33.6	39.4	44.1	49.2	15.8	13.4	12.0	10.7
HAPPSTMN	393	620	16.8%	30.0%	14.2	15.3	16.4	17.4	14.6	20.1	25.9	32.1	26.5	19.3	14.9	12.0
DATA	705	920	9.0%	13.2%	14.2	14.4	14.5	14.8	37.6	43.5	48.8	54.5	18.1	15.6	13.9	12.5
FRACTAL	793	980	22.8%	46.2%	10.4	12.6	14.3	15.6	14.2	22.6	32.4	44.4	57.9	36.5	25.4	18.5

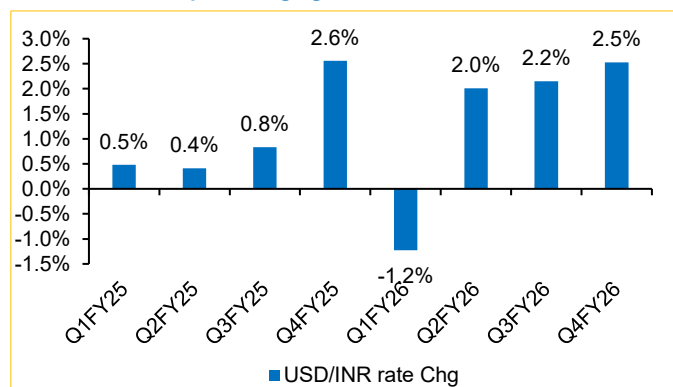
Note: We have revised out Target Price taking cognizance of the recent macro headwinds which has resulted into INR depreciation against USD.

Change in Estimates - Snapshot

Company	Previous Estimates		New Estimates		Change in Estimates	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Tier-I						
Avg. Revenue Growth	9.5%	8.8%	11.5%	9.7%	2.0%	0.9%
Avg. Margins	18.7%	19.6%	18.8%	19.7%	0.1%	0.1%
Avg. EPS Growth	18.3%	16.1%	24.0%	16.5%	5.7%	0.4%
Tier-II						
Avg. Revenue Growth	21.1%	14.0%	23.3%	15.4%	2.1%	1.4%
Avg. Margins	15.6%	16.5%	16.0%	16.9%	0.4%	0.4%
Avg. EPS Growth	19.5%	26.7%	26.2%	28.4%	6.7%	1.7%

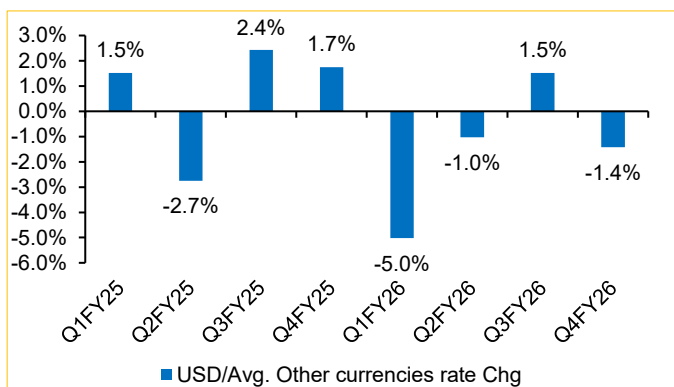
Source: Company, Choice Institutional Equities

INR has been depreciating against USD at incremental level QoQ



Source: Company, Choice Institutional Equities

Other currencies have not depreciated against USD QoQ



Source: Company, Choice Institutional Equities

IT Services

Industry Checks Point to Measured, Not Immediate, AI Disruption

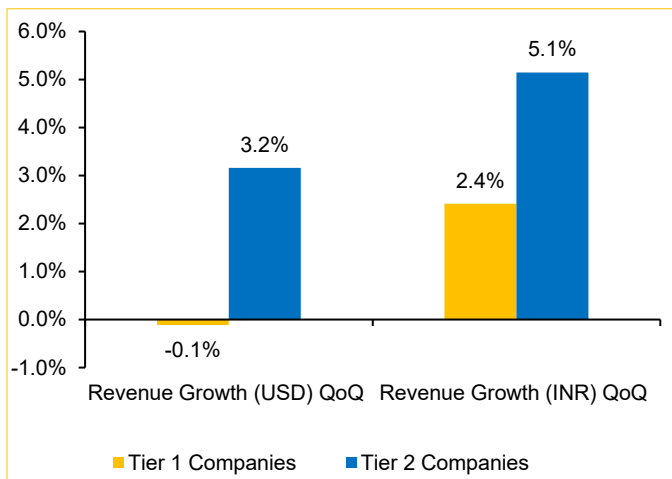
- **Industry checks remain constructive:** Conversations with senior technology leaders and delivery heads suggest **AI is reshaping the IT services landscape**, but the pace of disruption is likely to remain **measured rather than immediate**.
- **Pricing deflation likely to stay contained:** Even with proactive **GenAI adoption**, pricing pressure in existing engagements is expected to remain **moderate**, given **legacy dependencies, integration-heavy environments, and enterprise execution complexity**.
- **Enterprise adoption curve remains gradual:** Large enterprises continue to face **mission-critical system complexity, compliance requirements, and multi-layered integrations**, limiting the pace of rapid AI-led displacement.
- **Traditional delivery models face selective pressure:** Process-heavy areas such as **coding, testing, and maintenance** may see higher **productivity-led disruption**, particularly for labour-arbitrage-led models.
- **Data security remains a gating factor:** **Privacy, regulatory, and sensitive data-sharing concerns** continue to constrain the pace of enterprise-scale AI deployment.
- **Human oversight remains indispensable:** Despite rising automation, **senior human intervention** is expected to remain critical across **accuracy-sensitive, compliance-heavy, and high-stakes workflows**.
- **Overall, the sector is entering a structural transition, with winners defined by their shift to AI-enabled, outcome-led platform models where presently Mid-Caps are well positioned.**

Tier-II Premium Appears to Be Normalising, Improving Valuation Comfort Amid Healthy Growth

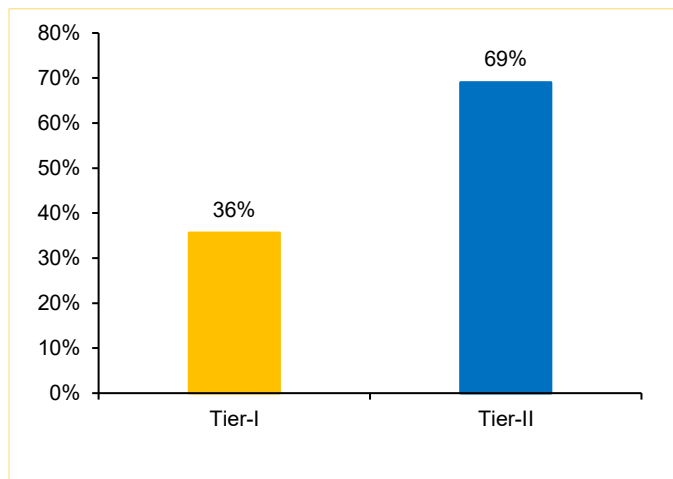
	FY25	FY26E	FY27E	FY28E	FY29E
Avg. Tier – I PE (x)	22.3	21.3	17.0	14.6	12.9
Avg. Tier – II PE (x)	34.0	26.7	21.2	16.6	14.0
Premium to Tier - I	52.4%	25.2%	24.5%	14.1%	9.0%

Source: Company, Choice Institutional Equities

Tier-II Companies Likely to Outpace on Revenue Growth in Q4FY26 Tier-II Companies are Better off in AI Employee Readiness



Source: Company, Choice Institutional Equities



Source: Company, Choice Institutional Equities

Q4FY26 Quarterly Results Preview

IT Services

						TCS	
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	Comments	
Revenue (USD Mn)	7,560	7,509	0.7%	7,465	1.3%	<ul style="list-style-type: none"> We expect TCS to deliver revenue growth of 0.7% QoQ in USD terms, led by strengthening its AI-led enterprise transformation capabilities through its partnership with OpenAI, enabling industry-specific agentic AI solutions and joint go-to-market execution. TCS is accelerating its shift to an AI led services model, with its AI portfolio reaching a USD 1.8 Bn annualised run-rate, growing 17.3% QoQ in CC. Margins are expected to remain largely flat at 25.3%. Company maintains its strong focus on productivity levers, restructuring its employees to strategically utilise them To watch out for: Management commentary on near-term demand trends, discretionary spending by clients, vertical-wise performance outlook, key deal wins and progress on Datacenter business. 	
Revenue (INR Mn)	6,91,026	6,70,870	3.0%	6,44,790	7.2%		
EBITM (%)	25.3%	25.2%	0.1%	24.2%	1.1%		
PAT (INR Mn)	1,36,107	1,06,570	27.7%	1,22,240	11.3%		
EPS (INR)	37.6	29.5	27.7%	33.8	11.3%		
						INFO	
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	Comments	
Revenue (USD Mn)	5,063	5,099	-0.7%	4,730	7.0%	<ul style="list-style-type: none"> We expect INFY to post a marginal 0.7% QoQ decline in USD revenue, reflecting subdued discretionary spending amid macro uncertainty. While near-term demand remains soft, the company continues to build credibility as an AI-led transformation partner, supported by strong large deal wins and rising AI engagement traction. We expect growth to improve from FY27 onwards, aided by opportunities in Energy & Utilities and accelerating AI monetisation. The Anthropic partnership further strengthens Infosys' agentic AI capabilities and supports a constructive medium-term outlook. Margin is expected to contract by 50bps QoQ at 20.7% led by lower utilisation and higher SG&A spends. FY26 margin guidance remains unchanged at 20–22%, despite continued investments and wage hikes. To watch out for: Commentary on AI-led disruption impact, overall outlook on sector, demand environment, TCV conversion, evolution of deal pipeline, outlook across verticals, trends from client conversations and discretionary spending outlook. 	
Revenue (INR Mn)	4,62,797	4,54,790	1.8%	4,09,250	13.1%		
EBITM (%)	20.7%	21.2%	-0.5%	21.0%	-0.3%		
PAT (INR Mn)	73,770	66,540	10.9%	70,330	4.9%		
EPS (INR)	18.2	16.1	12.9%	16.9	7.6%		
						HCLT	
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	Comments	
Revenue (USD Mn)	3,724	3,793	-1.8%	3,498	6.5%	<ul style="list-style-type: none"> We expect HCLT USD revenue growth to decline by 1.8% QoQ, with normalization of Product & Platform Software Revenue (being seasonally strong in Q3). Moreover, the macro headwinds are expected to keep growth in IT soft was well. Management had raised FY26 services revenue growth guidance to 4.75–5.25% CC, reflecting improved visibility and execution confidence. Margins are expected to contract by 156bps at 17.0% QoQ led by softer margins in Products & Platforms business and impact of wage hikes carried forward from Q3. To watch out for: Commentary on AI-led disruption impact, AI initiatives, outlook across verticals, client conversation trend, TCV conversion rate, trends in discretionary spending and hiring outlook. 	
Revenue (INR Mn)	3,40,374	3,38,720	0.5%	3,02,460	12.5%		
EBITM (%)	17.0%	18.6%	-1.6%	18.0%	-1.0%		
PAT (INR Mn)	44,958	40,760	10.3%	43,070	4.4%		
EPS (INR)	16.6	15.0	10.3%	15.9	4.4%		
						TECHM	
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	Comments	
Revenue (USD Mn)	1,633	1,610	1.5%	1,549	5.5%	<ul style="list-style-type: none"> We expect TECHM to post 1.5% QoQ USD revenue growth, aided by solid deal momentum and continued progress in scaling strategic accounts. Management remains focused on converting large deals and expanding the high-value client base, which should support medium-term growth visibility. Margin improvement is also likely to remain on track under Project Fortius, although much of the near-term profitability recovery appears priced in at current valuations. Margin is expected to expand by 70 bps QoQ at 13.9% led by Project Fortius cost efficiency program. Management remains confident of achieving its FY27 EBIT margin target of 15%, supported mainly by gross margin expansion. To watch out for: Commentary on large and new deal wins, deal pipeline across verticals, demand outlook in the Communication and Hitech verticals, AI initiatives & demand outlook. 	
Revenue (INR Mn)	1,49,283	1,43,932	3.7%	1,33,840	11.5%		
EBITM (%)	13.9%	13.1%	0.7%	10.3%	3.6%		
PAT (INR Mn)	13,631	11,220	21.5%	11,667	16.8%		
EPS (INR)	15.4	12.6	21.5%	13.2	16.8%		

IT Services

						WPRO
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	Comments
Revenue (USD Mn)	2,618	2,664	-1.7%	2,606	0.5%	<ul style="list-style-type: none"> We expect WPRO to deliver a ~1.7% QoQ decline in USD revenue, reflecting near-term weakness from Middle East-related disruptions. While recent deal momentum moderated, with Q3FY26 TCV declining sequentially, the company's strategic emphasis on AI and engineering services should help cushion downside risks. Overall, we expect the near-term outlook to remain soft, though supported by large deal participation and improving AI-led positioning. Margin is likely to contract by ~50 bps QoQ to 15.6%, due to Harman DTS unit impact of ~60bps as it got closed in Q3FY26 end. Continued investments in AI, talent upskilling and transformation capabilities are strategically important for long-term positioning, though they may constrain near-term margin expansion. To watch out for: Demand outlook across verticals, client conversation trend, discretionary spending outlook, continuity in large deal wins and the pace of TCV conversion to revenue and AI-led initiatives and outlook.
Revenue (INR Mn)	2,39,297	2,35,558	1.6%	2,25,042	6.3%	
EBITM (%)	15.6%	16.1%	-0.5%	17.3%	-1.7%	
PAT (INR Mn)	32,608	31,190	4.5%	35,696	-8.7%	
EPS (INR)	3.1	2.97	4.5%	3.4	-8.4%	
						LTM
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	Comments
Revenue (USD Mn)	1,226	1,208	1.5%	1,131	8.4%	<ul style="list-style-type: none"> We expect LTM to deliver 1.5% QoQ USD revenue growth, supported by strong order bookings and sustained deal momentum. BFSI Top client related impact is expected to bottoming out, while Manufacturing is expected to see slight impact of Middle East exposure and delayed revenue conversion from the Aramco JV. Also, slower hardware procurement under the ~INR 3,000 Cr CBDT deal are likely to moderate growth versus the earlier ~2% QoQ expectation. Margin is expected to witness a slight contraction by 92bps QoQ at 15.2% led by higher SG&A and wage hike impact expected to spread across Q4FY26 & Q1FY27. To watch out for: Growth in large client accounts, overall demand environment with respect to AI-led disruption, vertical-wise performance outlook, color on Top-10 client's progression, cues on growth and margin trajectory.
Revenue (INR Mn)	1,12,025	1,07,810	3.9%	97,717	14.6%	
EBITM (%)	15.2%	16.1%	-0.9%	13.8%	1.4%	
PAT (INR Mn)	10,332	9,706	6.4%	11,285	-8.4%	
EPS (INR)	34.8	32.7	6.4%	38.0	-8.5%	
						MPHASE
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	Comments
Revenue (USD Mn)	458	447	2.5%	430	6.7%	<ul style="list-style-type: none"> We expect MPHL to deliver 2.5% QoQ revenue growth in USD terms driven improved growth in BFS and TMT (largely led by furloughs revision). The company is expected to witness strong TCV booking with continuity in higher component of modernization and AI deals, which reflects improved quality of growth going ahead. We expect margin to remain largely unchanged on a QoQ basis, as company maintains margins within guided range. The employee additions continue to remain leaner with AI-led growth to enable higher deal momentum. The company's guided EBIT margin for FY26 stands at 14.75%–15.75%. To watch out for: Outlook on large deal wins and AI-led deal wins, commentary on conversion of pipeline to TCV, outlook across verticals and client conversation pipeline to TCV, outlook across verticals and client conversation trends.
Revenue (INR Mn)	41,903	40,026	4.7%	37,100	12.9%	
EBITM (%)	15.2%	15.2%	0.0%	15.3%	-0.1%	
PAT (INR Mn)	4,870	4,422	10.1%	4,465	9.1%	
EPS (INR)	25.5	23.1	10.1%	23.4	8.8%	
						COFORGE
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	Comments
Revenue (USD Mn)	494	478	3.4%	404	22.5%	<ul style="list-style-type: none"> We expect COFORGE to deliver 3.4% QoQ USD revenue growth, driven by a strong deal pipeline across the Travel and BFSI verticals. The company's robust executable order book of USD 1.72 bn and 16 large deal wins in 9MFY26 provide healthy revenue visibility. Further, Encora's integration should strengthen Coforge's digital engineering and AI-led capabilities from FY27, supporting scalable growth over the medium term. We expect margin to expand by 102 bps QoQ at 14.4% in Q4FY26 led by lower ESOP costs, operational efficiencies and currency tailwinds. To watch out for: Large deal outlook, TCV to revenue conversion, client conversation trend, demand outlook across verticals and any development on Encora. Commentary on AI-led disruption and demand outlook.
Revenue (INR Mn)	45,186	41,881	7.9%	34,099	32.5%	
EBITM (%)	14.4%	13.4%	1.1%	13.2%	1.2%	
PAT (INR Mn)	4,180	2,502	67.1%	2,611	60.1%	
EPS (INR)	12.3	7.4	67.1%	7.7	59.5%	

IT Services

PSYS						Comments
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	
Revenue (USD Mn)	442	423	4.5%	375	17.7%	<ul style="list-style-type: none"> We expect PSYS to deliver 4.5% QoQ USD revenue growth, driven by strong deal ramp-ups, particularly in BFSI, supported by vendor consolidation wins, and a healthy pipeline. Despite macro headwinds, demand visibility remains broad-based across BFSI and Hi-Tech. PSYS AI-led platforms, including SASVA, iAURA, and AssistX, support higher-value engagements. We expect margin to slightly decline by 20bps QoQ at 16.5% in Q4 led by slightly higher Sales & Marketing costs. To watch out for: Outlook on client spending, commentary on AI disruption impact, vertical-wise demand trends, large deals in pipeline, TCV conversion rate and margin levers.
Revenue (INR Mn)	40,365	37,782	6.8%	32,421	24.5%	
EBITM (%)	16.5%	16.7%	-0.2%	15.6%	0.9%	
PAT (INR Mn)	4,886	4,395	11.2%	3,958	23.5%	
EPS (INR)	31.1	27.9	11.2%	25.4	22.4%	
DATA						Comments
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	
Revenue (INR Mn)	5,304	5,101	4.0%	4,972	6.7%	<ul style="list-style-type: none"> We expect DATA to deliver 4% QoQ revenue growth in INR terms, driven by healthy growth momentum in its Digital Operations and Digital Technologies business units, supported by AI-driven opportunities. Company's organic growth outlook for FY27E remains conservative in high-single digit, accounting for global uncertainty and potential AI led disruption. We expect margins to expand by 150 bps QoQ at 16.0% in Q4, led by currency tailwinds and cost-optimization initiatives To watch out for: Performance across strategic accounts, momentum in new deal wins, outlook across its three business units, client conversation trends, and outlook across its verticals.
EBITM (%)	16.0%	14.6%	1.5%	11.0%	5.1%	
PAT (INR Mn)	723	363	99.0%	449	61.1%	
EPS (INR)	12.3	6.2	99.0%	7.6	61.3%	
HAPPSTMN						Comments
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	
Revenue (USD Mn)	71	66	7.4%	63	12.3%	<ul style="list-style-type: none"> We expect HAPPSTMN to deliver 7.4% QoQ USD revenue growth, driven by a stronger deal pipeline. The company's 'AI First' strategy continues to strengthen its positioning across AI-native software, ITSM, and cybersecurity. Further, platforms such as Arthha and Insurance-in-a-Box, along with strong traction in GenAI Business Services, should support scalable, subscription-led quality growth and margin expansion over time. We expect EBIT margins to expand by 111 bps QoQ to 15.6%, driven by currency tailwinds, improved utilisation from leaner headcount additions, a higher mix of fixed-price projects, and efficiency gains from GenAI-led operations. Following strong client adoption, it has raised its FY27E growth guidance to 12.5% up from earlier 10% and targets 15% growth in FY28E. To watch out for: Outlook across verticals, outlook on new product launches, growth in pipeline, new client additions, net new wins, client's conversation trend and margin trajectory.
Revenue (INR Mn)	6,455	5,876	9.9%	5,446	18.5%	
EBITM (%)	15.6%	14.5%	1.1%	11.3%	4.3%	
PAT (INR Mn)	690	403	71.1%	340	102.9%	
EPS (INR)	4.6	2.7	71.1%	2.3	102.2%	
ZENT						Comments
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	
Revenue (USD Mn)	157	161	-1.9%	157	0.4%	<ul style="list-style-type: none"> We expect ZENT to deliver revenue de-growth of 1.9% QoQ in USD terms led by continued weakness in TMT vertical. TMT vertical is witnessing a secular trend across the industry where companies are shifting investment from Opex to Capex in areas like GPUs and datacentres. Margins are expected to decline by 74bps QoQ led by TMT impact. ZENT remains committed on sustainable, long-term profitable growth with less headcount addition, leveraging AI and maintaining high utilization rates. It maintains mid-teen margin guidance supported by cost optimization initiatives. To watch out for: Commentary on large deals and TCV conversion rate, AI led investment outlook, client conversation trend, outlook across verticals specifically TMT, margin trajectory and inorganic growth plans.
Revenue (INR Mn)	14,390	14,307	0.6%	13,589	5.9%	
EBITM (%)	15.3%	16.1%	-0.7%	13.9%	1.4%	
PAT (INR Mn)	2,100	1,998	5.1%	1,764	19.0%	
EPS (INR)	9.1	8.7	5.1%	7.7	18.6%	
FRACTAL						Comments
	Q4FY26E	Q3FY26	QoQ	Q4FY25	YoY	
Revenue (USD Mn)	98	96	2.3%	NA	-	<ul style="list-style-type: none"> We expect Fractal Analytics to deliver 2.3% QoQ growth, supported by sustained traction in AI-led R&D initiatives. Additionally, the high-margin Fractal Alpha segment is likely to witness gradual growth, reinforcing a positive outlook. Margins are expected to expand by 188 bps QoQ, driven by moderation in operational costs amid improved growth momentum, along with increasing leverage on SG&A expenses. We have considered normalised tax rates vs. tax credit in Q3. To watch out for: Avg. Billable FTE for the quarter, demand scenario and spending outlook, vertical wise outlook, commentary on current IT sector and impact of AI, new client engagements, commentary on hiring.
Revenue (INR Mn)	8,943	8,544	4.7%	NA	-	
EBITM (%)	12.7%	10.9%	1.88%	NA	-	
PAT (INR Mn)	734	1,001	-26.7%	NA	-	
EPS (INR)	4.3	6.4	-33.3%	NA	-	

Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research	utsav.verma@choiceindia.com	+91 22 6707 9440
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	Bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhanshree Jadhav	Analyst – Technology	dhanshree.jadhav@choiceindia.com	+91 22 6707 9535
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Fenil Brahmhatt	Analyst – Realty & Building Materials	fenil.brahmhatt@choiceindia.com	+91 22 6707 9930
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9867
Karan Kamdar	Analyst – Consumer Discretionary, Small and Midcaps	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Aayush Saboo	Sr. Associate– Realty	aayush.saboo@choiceindia.com	+91 22 6707 9930
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9521
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Subhash Gate	Sr. Associate – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9901
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

CHOICE RATING DISTRIBUTION & METHODOLOGY

Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
 *Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

Disclaimer & Disclosure

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited is a registered Research Analyst Entity (Reg. No. INH00000222) CIN. NO.: U65999MH2010PTC198714. Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400099. Tel. No. 022-6707 9999 . Compliance Officer-Prashant Salian. Tel. 022-6707 9999-Ext. 896. Email- Compliance@choiceindia.com. Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834.

Email- ig@choiceindia.com

General Disclaimer:

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This report ("Report") is prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL") in its capacity as a SEBI-registered Research Analyst and is intended solely for informational and educational purposes. This Report is meant exclusively for the recipient and shall not be circulated, reproduced, or distributed, in whole or in part.

This Report does not take into account the specific investment objectives, financial situation, risk profile, or particular needs of any individual or class of investors and does not constitute a personal recommendation or investment advice. Any views, opinions, or recommendations expressed herein are based on publicly available information and internal analysis and are subject to change without notice.

Nothing contained in this Report shall be construed as an offer, solicitation, or inducement to buy, sell, or subscribe to any securities, derivatives, or other financial instruments, nor shall it be considered as investment, legal, accounting, or tax advice. Recipients are advised to conduct their own independent analysis and are encouraged to seek independent professional advice before making any investment or trading decisions.

The information contained in this Report has been compiled from sources believed to be reliable; however, CEBPL does not represent or warrant the accuracy, completeness, or reliability of such information. CEBPL, its directors, employees, or associates shall not be liable for any losses, damages, or expenses arising directly or indirectly from the use of or reliance upon this Report.

Investments in securities are subject to market risks. The price and value of investments and the income from them may fluctuate, and investors may incur losses. Past performance is not indicative of future results. Opinions expressed herein are as of the date of this Report and may differ from views expressed in other research reports due to differences in methodology, assumptions, or time horizons.

Disclaimers in respect of Jurisdiction:

This Report is not intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in, any jurisdiction where such distribution, publication, or use would be contrary to applicable laws or regulations, or would subject CEBPL to any registration or licensing requirements in such jurisdiction.

No action has been taken or will be taken by CEBPL in any jurisdiction outside India where such action would be required for distribution of this Report. Accordingly, this Report shall not be directly or indirectly distributed, published, or circulated in any such jurisdiction except in compliance with applicable laws and regulations.

Recipients of this Report are required to inform themselves of, and comply with, all applicable legal and regulatory restrictions at their own expense and without any liability to CEBPL. Any dispute arising out of or in connection with this Report shall be subject to the exclusive jurisdiction of the competent courts in Mumbai, India.

Disclosure on Ownership and Material Conflicts of Interest:

- "CEBPL", its Research Analyst(s), their associates and relatives may have any financial interest in the subject company covered in this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have actual or beneficial ownership of one percent (1%) or more of the securities of the subject company, as on the last day of the month immediately preceding the date of publication of this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have any other material conflict of interest at the time of publication of this Research Report.

Disclosure on Receipt of Compensation:

- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months.
- "CEBPL" or its associates may have managed or co-managed public offerings of securities for the subject company during the past twelve months.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for products or services other than investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates have not received any compensation or other benefits from the subject company or any third party in connection with the preparation or publication of this Research Report.
- Research Analyst may have served as an officer, director or employee of the subject company covered in this Research Report.
- "CEBPL" and Research analyst may engage in market-making activity in the securities of the subject company.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. [www. https://choiceindia.com/research-listing](https://choiceindia.com/research-listing)

Copyright:

This research report is confidential and intended solely for the recipient. Unauthorized reproduction, distribution, or disclosure of this report, in whole or in part, in any form or by any means, without the prior written permission of the Company is strictly prohibited.