8 October 2026
2QFY27 Results Update | Sector: Technology

TCS

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	TCS IN
Equity Shares (m)	3618
M.Cap.(INRb)/(USDb)	7511.1 / 77.6
52-Week Range (INR)	3350 / 1976
1, 6, 12 Rel. Per (%)	-2/-12/-20
12M Avg Val (INR M)	10405
Free float (%)	28.0

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	2,670	2,922	3,004
EBIT Margin (%)	25.0	24.3	24.7
Adj. PAT	528	562	582
EPS (INR)	146.0	155.3	160.8
EPS Gr. (%)	8.8	6.4	3.5
BV/Sh. (INR)	296	335	374
Ratios			
RoE (%)	52.3	49.2	45.4
RoCE (%)	44.2	41.4	38.7
Payout (%)	75.3	75.3	75.3
Valuations			
P/E (x)	14.2	13.4	12.9
P/BV (x)	7.0	6.2	5.5
EV/EBITDA (x)	10.3	9.6	8.9
Div Yield (%)	5.3	5.6	5.8

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	71.8	71.8	71.8
DII	13.5	13.4	12.0
FII	9.1	9.7	11.5
Others	5.7	5.2	4.8

FII Includes depository receipts

CMP: INR2,076 **TP: INR2,400 (+16%)** **Buy**

Growth outlook unchanged; margins under pressure

International growth picks up; AI-led deflation concerns unchanged

- TCS reported 2QFY27 USD revenue of USD7.6b, rising 0.5% QoQ in CC, in line with our estimate of 0.5% QoQ CC growth. 2Q growth was led by Manufacturing/Hi-Tech/BFSI, which grew 3.1%/3.1%/2.5% QoQ CC, while regional markets/consumer business declined 5.8%/0.7% QoQ CC. EBIT margin stood at 24% (flat QoQ), below our estimate of 25%. Adj PAT remained flat QoQ and rose 7.5% YoY at INR139b, below our est. of INR144b.
- In INR terms, 1HFY27 revenue/EBIT/adj. PAT grew 12.6%/8.7%/8.1% YoY. In 2HFY27, we expect revenue/EBIT/adj. PAT to grow 6.5%/4.3%/4.9% YoY. TCS reported a deal TCV of USD9.6b in 2QFY27, rising 1.1% QoQ but declining 4% YoY. The book-to-bill ratio stood at 1.3x. We reiterate our BUY rating on TCS with a TP of INR2,400, implying a 16% potential upside.

Our view: Margins to remain under pressure in the near term

- International business accelerated QoQ, with USD revenue **growth of 1% versus a 0.2% decline** in 1QFY27 (Exhibit 2), led by **the UK (+3.7% QoQ),** while North America remained flat. Growth also broadened across **BFSI (+2.5% QoQ CC)**, manufacturing (+3.1% QoQ CC), and Hi-tech (+3.1% QoQ CC). The improving mix across BFSI, manufacturing, and technology services provides **some visibility for sustained momentum in international markets**.
- Demand commentary saw **no meaningful change**, with discretionary programs continuing to see **measured decision making**. While TCV increased to USD9.6b and client conversations remained constructive, we believe the **near-term outlook remains dependent on pipeline conversion** and a recovery in **regional markets**.
- AI revenue grew **19.2% QoQ to USD3.1b on an annualized basis**, crossing **10% of total revenue (Exhibit 3)**, while **non-AI revenue declined sequentially**. With AI-led productivity gains continuing to create deflation in traditional services, we believe the **revenue impact from AI-led deflation** continues to **outweigh the incremental revenue opportunity from AI**, limiting the near-term growth benefit.
- Margins remained flat QoQ at 24% despite **continued investments in AI capabilities, hiring, and partnerships**, with higher subcontracting costs also reflecting near-term skill gaps and visa-related constraints. With MHP expected to dilute margins by ~50bp in 2HFY27, alongside furloughs and continued investments, **we lower our FY27/FY28 margin estimates and build in 24.3%/24.7%, respectively.**

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Revenues in line with our estimates and miss on margins; TCV deal wins at USD9.6b

- USD revenue came in at USD7.6b, rising 0.5% QoQ in CC terms, in line with our estimates of 0.5% QoQ CC.
- In terms of geographies, UK/North America/Europe rose 3.5%/0.4%/0.4% QoQ CC, while India declined 10.3% QoQ cc.
- Annualized AI services revenue stood at USD3.1b in 2QFY27, rising 19.2% QoQ, and crossed 10% of total revenue.
- 2Q growth was led by Manufacturing/Hi-Tech/BFSI, which grew 3.1%/3.1%/2.5% QoQ CC, while regional markets/consumer business declined 5.8%/0.7% QoQ cc.
- EBIT margin stood at 24% (flat QoQ), below our estimate of 25%.
- TCS reported a deal TCV of USD9.6b in 2QFY27, rising 1.1% QoQ but declining 4% YoY.
- Adj. PAT remained flat QoQ and rose 7.5% YoY to INR139b (below our est. of INR144b).
- The net headcount rose by 4,258 employees to 598,056 (up 0.7% QoQ) in 2QFY27. Attrition (LTM) decreased 30bp QoQ to 13.3%.
- FCF conversion to PAT stood at 91.3% in 2QFY27. The Board declared an interim dividend of INR12/share in 2QFY27.

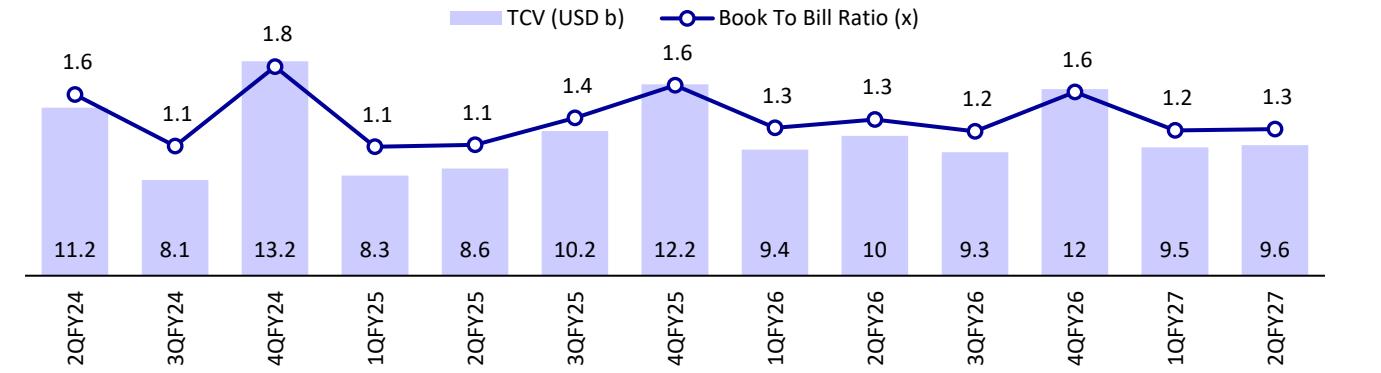
Key highlights from the management commentary

- Demand environment remained selective and uneven, with no material change vs. last quarter.
- Management is confident of sustained growth momentum over the medium term, based on TCV, pipeline, and client conversations. However, it declined to comment on the next quarter.
- The Porsche partnership and proposed MHP acquisition (subject to regulatory approvals) strengthen positioning in AI-led mobility and engineering.
- Agentic control planes, AI governance, and cost control (token FinOps) are scaling as demand themes.
- Cybersecurity demand is shifting toward resilience, recovery, and AI-led vulnerability management.
- BSNL deal can cushion regional markets for the next couple of quarters. Regional markets will remain volatile, given the limited annuity work and lumpy delivery.

Valuation and view

- We expect USD revenue/EPS to compound at ~2%/~5% over FY26-28. International growth saw an improvement in 2QFY27, with growth broadening across key geographies and verticals, while deal activity remained stable. Demand is expected to remain selective, with growth likely to be driven by specific pockets as AI adoption continues to shape spending priorities. We have lowered our margin and EPS estimates for FY27/FY28 by 40bp/20bp and 1.6%/1.5%, respectively, reflecting continued investments in AI capabilities, hiring and partnerships, and higher subcontracting costs. We reiterate our BUY rating with a TP of INR2,400, based on 15x FY28E EPS, implying ~16% upside.

Exhibit 1: Deal TCV stood at USD9.6b with a book-to-bill ratio of 1.3x



Source: Company, MOFSL

Exhibit 2: International business revenue growth rebounded to 1.0% QoQ in 2QFY27

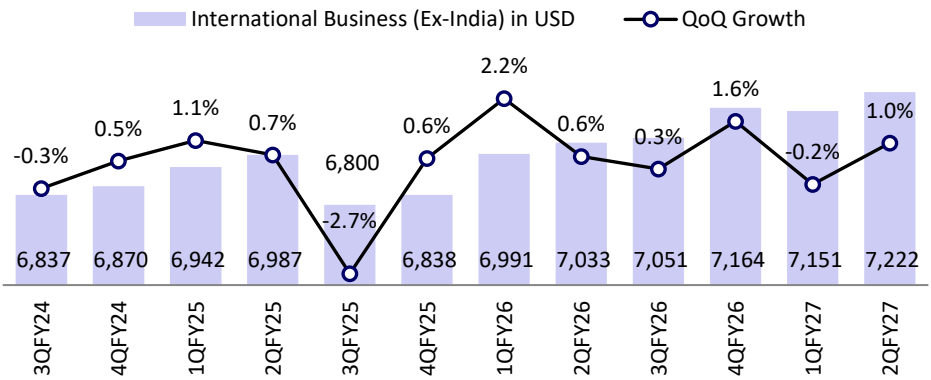
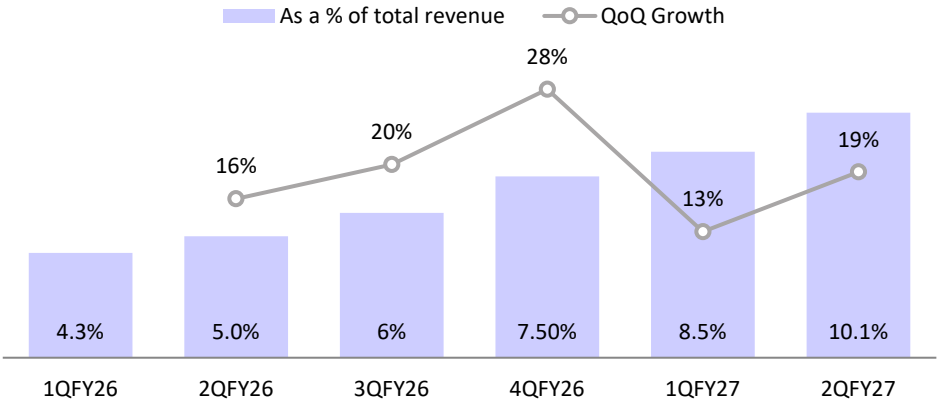
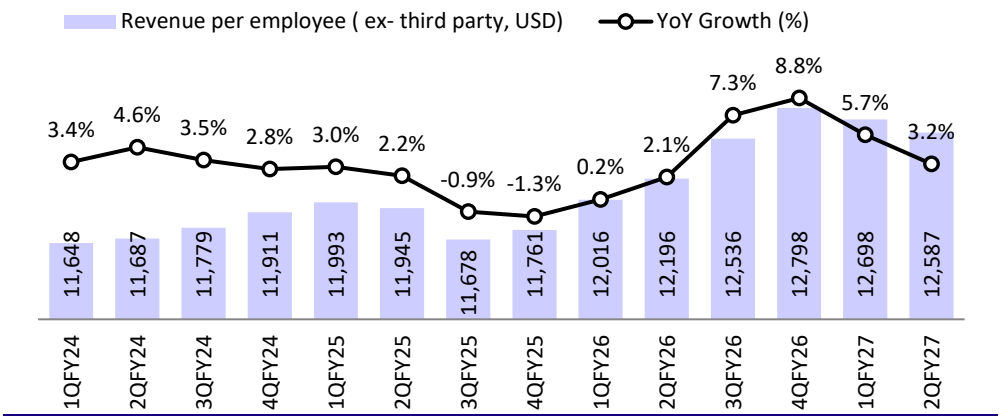


Exhibit 3: Annualized AI services revenue stood at USD3.1b, rising 19.2% QoQ



Source: Company, MOFSL

Exhibit 4: Realizations remain healthy despite moderating YoY growth



Source: Company, MOFSL

Exhibit 5: Vertical-wise performance (QoQ, %)

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
BFSI	0.1	-1.8	-0.1	0.6	1.9	-2.7	1.3	2.0	1.2	-0.4	0.5	1.6	2.4
Retail & CPG	-1.5	-0.3	1.1	0.0	0.2	-0.4	-1.0	1.4	-1.3	1.2	3.5	-4.4	-0.4
Communication & Media	-1.6	-1.9	-0.4	-4.2	-2.7	-3.4	-1.0	-0.6	2.3	0.6	-0.2	0.0	0.2
Manufacturing	2.2	2.2	3.5	1.9	-0.1	-4.0	-1.0	3.0	1.8	0.6	1.5	-1.1	3.7
Life Sciences & Healthcare	-1.1	1.0	1.1	2.9	-3.4	-4.5	-1.0	0.4	3.6	0.6	0.5	-0.9	0.2
Technology & Services	-1.4	-1.4	-1.3	0.7	0.9	-1.7	0.3	3.1	1.8	-0.6	1.5	1.2	1.4
Energy and Utilities	1.6	2.8	-0.6	1.9	4.0	-1.7	-1.0	2.9	0.6	2.3	6.6	0.0	-1.4
Regional markets & Others	0.7	12.9	6.1	10.6	13.1	2.7	-5.9	-13.5	-3.1	2.1	0.7	2.3	-6.5

Source: Company, MOFSL

Exhibit 6: Region-wise performance (QoQ, %)

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
North America	-0.8	-1.2	-0.1	0.9	-1.7	-1.5	0.1	0.4	0.8	0.0	1.5	-0.4	0.2
Latin America	-0.2	6.0	-3.7	-3.2	-3.2	3.8	-6.2	4.9	0.6	5.9	-3.6	5.3	5.2
UK	0.4	0.4	3.6	2.5	2.8	-4.0	0.2	6.5	-2.2	-2.9	3.3	0.0	3.7
Continental Europe	-0.2	1.7	-1.6	0.5	3.6	-6.4	1.9	4.3	2.6	2.5	1.5	-1.2	-1.1
India	-0.2	25.7	11.1	14.1	21.3	8.2	-15.1	-31.4	0.6	5.8	-0.2	3.4	-11.1
Asia Pacific	-0.2	1.0	1.1	1.9	4.8	-4.2	2.8	3.1	-0.6	0.6	1.5	1.2	2.6
MEA	9.8	-8.2	6.2	-2.9	7.3	7.7	3.3	-8.9	9.8	9.0	-2.4	0.0	0.2

Source: Company, MOFSL

Quarterly Performance (IFRS)

(INR b)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY27	(% / bp)
IT Services Revenue (USD m)	**7,421**	**7,466**	**7,509**	**7,621**	**7,624**	**7,642**	**7,642**	**7,680**	**30,017**	**30,588**	**7,661**	**-0.3**
QoQ (%)	-0.6	0.6	0.6	1.5	0.0	0.2	0.0	0.5	-0.5	1.9	0.5	-26bp
Overall Revenue (INR b)	**634**	**658**	**671**	**707**	**723**	**732**	**732**	**736**	**2,670**	**2,922**	**732**	**0.0**
QoQ (%)	-1.6	3.7	2.0	5.4	2.2	1.3	0.0	0.5			1.3	-3bp
YoY (%)	1.3	2.4	4.9	9.6	13.9	11.2	9.1	4.0	4.6	9.4	11.3	-4bp
GPM (%)	**39.1**	**39.6**	**40.8**	**40.7**	**39.6**	**39.2**	**39.5**	**39.8**	**40.1**	**39.5**	**40.0**	**-76bp**
SGA (%)	14.7	14.4	15.6	15.4	15.6	15.3	14.0	14.2	15.1	14.7	14.5	76bp
EBITDA	**168**	**179**	**183**	**193**	**188**	**191**	**195**	**198**	**724**	**772**	**198**	**-3.8**
EBITDA Margin (%)	26.5	27.3	27.3	27.4	26.0	26.1	26.6	27.0	27.1	26.4	27.1	-102bp
EBIT	**155**	**166**	**169**	**179**	**173**	**176**	**179**	**183**	**668**	**711**	**183**	**-4.1**
EBIT Margin (%)	24.5	25.2	25.2	25.3	24.0	24.0	24.5	24.9	25.0	24.3	25.0	-102bp
Other income	15	6	9	5	13	11	10	10	35	44	10	5.9
PBT	**170**	**172**	**178**	**184**	**186**	**186**	**190**	**193**	**704**	**756**	**193**	**-3.6**
ETR (%)	24.5	24.7	24.2	24.9	25.2	25.2	25.3	25.3	24.6	25.3	25.3	-6bp
Adj. PAT	**128**	**130**	**135**	**138**	**139**	**139**	**142**	**145**	**531**	**565**	**144**	**-3.5**
Exceptional items	**0**	**-8**	**-28**	**0**	**-5**	**0**	**0**	**0**	**-36**	**-5**	**0**	
Reported PAT	**128**	**121**	**107**	**138**	**134**	**139**	**142**	**145**	**495**	**560**	**144**	**-3.5**
QoQ (%)	4.3	-5.4	-11.6	28.6	-2.6	3.8	1.6	2.1			7.6	-375bp
YoY (%)	5.9	1.5	-13.9	12.1	4.7	14.9	32.1	4.8	1.3	13.2	19.0	-415bp
EPS (INR)	35.3	35.7	37.2	37.9	38.3	38.4	38.9	39.7	146.0	155.3	39.7	-3.4

Key Performance Indicators

Y/E March	FY26				FY27		FY26
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	-3.3	0.8	0.8	1.2	0.4	0.5	
Costs (% of revenue)							
COGS	60.9	60.4	59.2	59.3	60.4	60.8	59.9
Margins							
Gross Margin	39.1	39.6	40.8	40.7	39.6	39.2	40.1
EBIT Margin	24.5	25.2	25.2	25.3	24.0	24.0	25.0
Net Margin	20.2	19.7	20.1	19.5	19.3	19.0	19.9
Operating metrics							
Headcount (k)	613.1	593.3	582.2	584.5	593.8	598.1	613
Attrition (%)	13.8	13.3	13.5	13.7	13.6	13.3	13.8
Deal Win TCV (USD b)	9.4	10.0	9.3	12.0	9.5	9.6	40.4
Key Verticals (YoY CC %)							
BFSI	1.0	1.0	1.6	0.4	2.4	3.9	0.7
Retail	-3.1	-2.9	-2.7	0.8	-1.2	-1.0	0.3
Key Geographies (YoY CC%)							
North America	-2.7	-0.1	1.3	2.5	2.0	1.5	-1.8
UK	-1.3	-1.9	-3.2	-1.2	-0.6	4.5	4.0
Continental Europe	-3.1	-3.0	1.4	1.0	4.3	3.3	0.7



Highlights from the management commentary

2QFY27 performance and demand outlook

- Demand environment remained selective and uneven, with no material change vs. last quarter.
- Management is confident of sustained growth momentum over the medium term, based on TCV, pipeline and client conversations. However, it declined to comment on the next quarter.
- The Porsche partnership and proposed MHP acquisition (subject to regulatory approvals) strengthen positioning in AI-led mobility and engineering.
- Agentic control planes, AI governance, and cost control (token FinOps) are scaling as demand themes.
- Cybersecurity demand is shifting toward resilience, recovery, and AI-led vulnerability management.
- BSNL deal can cushion regional markets for the next couple of quarters. Regional markets will remain volatile given limited annuity work and lumpy delivery.
- Clients are shifting from isolated AI use cases to redesigned value chains, governed agentic systems, and human-plus-AI operating models.
- Spends are tilting toward AI-led business outcomes, tech modernization, and data estate modernization, with rising volume and recurrence. Interest in token cost optimization continues.
- International revenue grew ~1.2% QoQ in CC, a clear improvement from the flat 1QFY27. All international markets grew sequentially.
- Growth broadened across the core portfolio. 2Q was good across most parameters, except regional markets.
- Regional markets were the only drag, led by project deferrals in India.
- Management said the Porsche and Best Buy deals are about AI-led transformation, not productivity. Similar playbook is expected in both.
- Wins include an enterprise agentic platform and control tower for a global insurer. A non-incumbent win was secured via working demos built during a three-day client workshop.
- **North America:** It grew ~0.4% QoQ in CC, lagging the company average. Management expects recovery sooner, supported by healthy TCV and client discussions.
- **India:** Revenue was impacted by project deferrals, which management termed non-structural. It expects revenue to return in the medium term but gave no timeline. The deferral is not linked to hardware or third-party pass-through.
- **BFSI**: BFSI was the strongest large vertical, growing ~2.5% QoQ and ~3.9% YoY in CC. Demand drivers include AI, risk and regulatory modernization, cyber resilience, and data platforms. AI revenue share in BFSI is growing fast.
- **Manufacturing**: It grew ~3.1% QoQ and ~4.2% YoY in CC, with demand improving in factory automation, engineering productivity, and supply chain resilience. Investments in AI-led vehicle engineering, smart manufacturing, and physical AI are helping win larger programs.
- **Consumer:** It declined ~0.7% QoQ and ~1% YoY, with inflation, energy costs, and selective spending weighing on demand. 3Q is seasonally important and management expects a better quarter. Medium-term recovery is expected on the back of TCV.

- **Life Sciences & Healthcare:** It grew **~0.3% QoQ**, with stable demand across compliance, clinical platforms, and data modernization. AI-enabled drug discovery is an emerging theme. TCS launched an Agent Hub for drug discovery.
- ~10,000 freshers were onboarded in 2Q vs. ~14,000 in 1Q. Campus hiring for the next batch is in its final stages.
- Subcontractor usage rose across India and overseas to bridge near-term skill mismatches. Visa-related costs were only a partial factor.
- Learning hours rose ~17% QoQ to ~17.1m. IT services LTM attrition declined ~30bp QoQ to ~13.3%.
- **On Gen AI:** Annualized AI revenue reached **~**USD 3.1b, crossing ~10% of overall revenue. AI revenue grew ~19% QoQ, while traditional revenue declined.
- Three demand patterns are emerging: AI-native solutions with business outcomes, AI-led transformation of enterprise systems, and autonomous business operations.
- New launches include the TCS ADD Agent Hub for drug discovery, an autonomous engineering lab with NVIDIA in Bengaluru, and an AI-first factory lab in Pune.
- USD100m+ and USD50m+ client counts declined slightly. This is due to one specific drop and an FX-linked slip below the USD 100m threshold, not a structural issue.

Margin performance and outlook

- Operating margin remained stable QoQ at ~24%. Net margin was ~19%.
- Gross margin contracted QoQ with no wage hike impact, driven by higher subcontractor costs, bench, and capacity creation. Other investments sit in SG&A.
- Currency gains and operating leverage partly offset these headwinds.
- Employee cost declined ~0.6% QoQ, aided by lower performance-linked bonus outlay.
- 2H headwinds include ~50bp dilution from the MHP acquisition (timing dependent), furlough seasonality, and ecosystem investments.
- Management reiterated the long-term aspiration of 26-28% EBIT margin, but did not reaffirm the 25% exit-rate target. It only expects to ‘inch up’ from current levels.
- External consultant fees and project expenses have grown ~40% YoY (analyst data). Management attributed this to capacity creation ahead of growth and partnership costs.
- Investments are focused on five areas: capability acquisitions, partnerships (frontier AI, hyperscalers, semiconductors), high-growth service areas, talent, and new growth engines (data centers, GCCs, mid-market).
- DSO was stable at ~74 days. Cash conversion was strong at ~102% of net income. Invested funds stood at ~USD6b.
- Data center capacity will be built on a contract-led basis. Revenue contribution is expected 18-24 months after capacity creation starts.

Valuation and view

- We expect USD revenue/EPS to compound at ~2%/~5% over FY26-28. International growth saw an improvement in 2QFY27, with growth broadening across key geographies and verticals, while deal activity remained stable. Demand is expected to remain selective, with growth likely to be driven by specific pockets as AI adoption continues to shape spending priorities. We have lowered our margin and EPS estimates for FY27/FY28 by 40bp/20bp and 1.6%/1.5%, respectively, reflecting continued investments in AI capabilities, hiring and partnerships, and higher subcontracting costs. We reiterate our BUY rating with a TP of INR2,400, based on 15x FY28E EPS, implying ~16% upside.

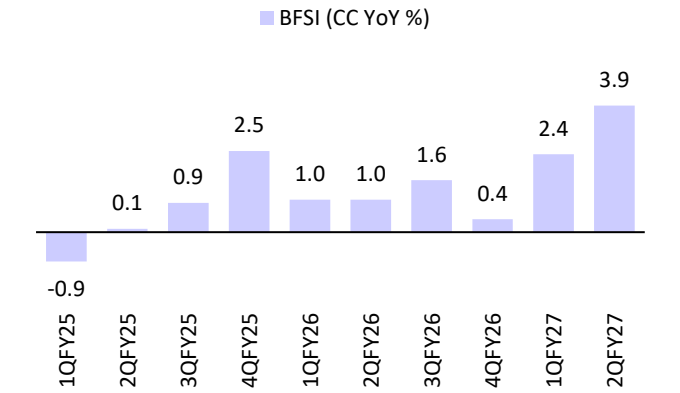
Exhibit 7: Revisions to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	95.5	96.0	95.4	96.0	0.2%	0.0%
USD Revenue (m)	30,588	31,296	30,647	31,567	-0.2%	-0.9%
CC Growth (%)	2.4	2.3	2.7	3.0	-30bps	-70bps
EBIT margin (%)	24.3	24.7	24.8	24.8	-40bps	-20bps
Adj. PAT (INR b)	562	582	570.9	590.4	-1.5%	-1.4%
EPS (INR)	155.3	160.8	157.8	163.2	-1.6%	-1.5%

Source: MOFSL

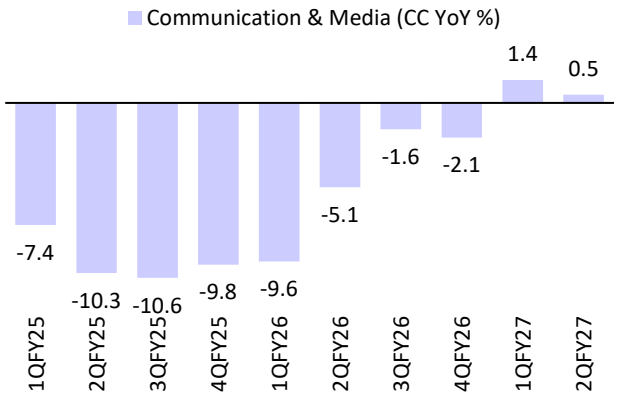
Story in charts

Exhibit 1: BFSI growth increased 3.9% YoY CC in 2QFY27



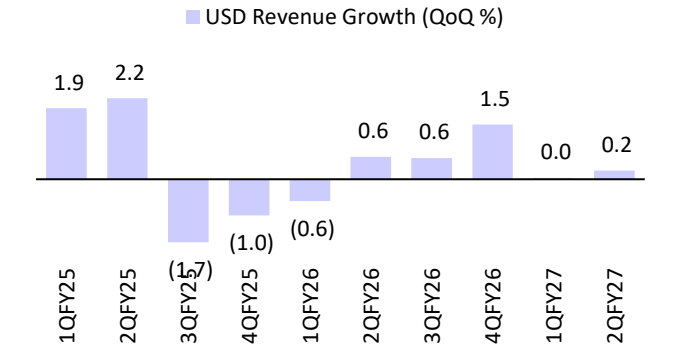
Source: Company, MOFSL

Exhibit 2: Communication and media declined 0.5% YoY CC in 2QFY27



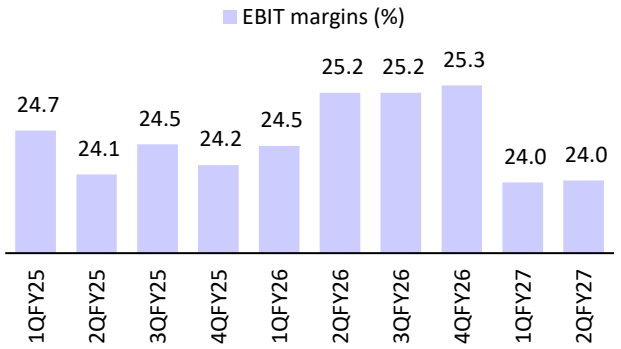
Source: Company, MOFSL

Exhibit 3: USD revenue grew 0.2% QoQ in 2QFY27



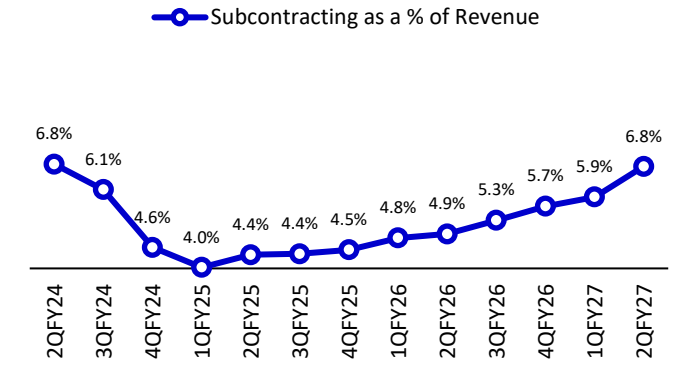
Source: Company, MOFSL

Exhibit 4: EBIT margins remained flat QoQ at 24%



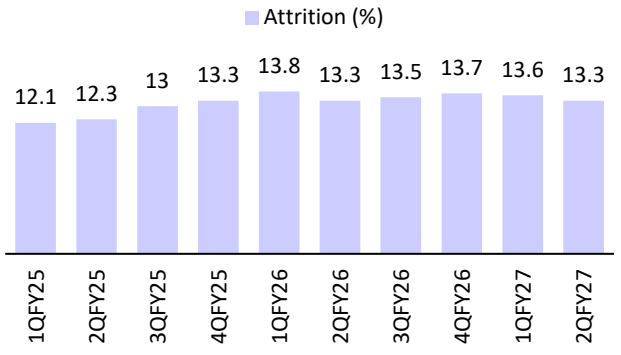
Source: Company, MOFSL

Exhibit 5: Sub-contracting cost inched up 90bp QoQ



Source: Company, MOFSL

Exhibit 6: LTM attrition declined by 30bp QoQ



Source: Company, MOFSL

Operating metrics

Exhibit 7: Operating metrics

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Verticals (%)									
BFSI	30.8	30.5	31.2	32.0	32.2	31.9	31.6	32.1	32.8
Retail & CPG	15.1	15.3	15.3	15.6	15.3	15.4	15.7	15.0	14.9
Communication & Media	5.9	5.8	5.8	5.8	5.9	5.9	5.8	5.8	5.8
Manufacturing	8.6	8.4	8.4	8.7	8.8	8.8	8.8	8.7	9.0
Life Sciences & Healthcare	10.4	10.1	10.1	10.2	10.5	10.5	10.4	10.3	10.3
Technology & Services	8.0	8.0	8.1	8.4	8.5	8.4	8.4	8.5	8.6
Energy & Utilities	5.7	5.7	5.7	5.9	5.9	6.0	6.3	6.3	6.2
Regional markets & Others	15.5	16.2	15.4	13.4	12.9	13.1	13.0	13.3	12.4
Geographies (%)									
North America	47.6	47.7	48.2	48.7	48.8	48.5	48.5	48.3	48.3
Latin America	1.8	1.9	1.8	1.9	1.9	2.0	1.9	2.0	2.1
UK	17.0	16.6	16.8	18.0	17.5	16.9	17.2	17.2	17.8
Continental Europe	14.6	13.9	14.3	15.0	15.3	15.6	15.6	15.4	15.2
India	8.9	9.8	8.4	5.8	5.8	6.1	6.0	6.2	5.5
Asia Pacific	8.0	7.8	8.1	8.4	8.3	8.3	8.3	8.4	8.6
MEA	2.1	2.3	2.4	2.2	2.4	2.6	2.5	2.5	2.5
QoQ growth (%)									
BFSI	1.9	-2.7	1.3	2.0	1.2	-0.4	0.5	1.6	2.4
Retail & CPG	0.2	-0.4	-1.0	1.4	-1.3	1.2	3.5	-4.4	-0.4
Communication & Media	-2.7	-3.4	-1.0	-0.6	2.3	0.6	-0.2	0.0	0.2
Manufacturing	-0.1	-4.0	-1.0	3.0	1.8	0.6	1.5	-1.1	3.7
Life Sciences & Healthcare	-3.4	-4.5	-1.0	0.4	3.6	0.6	0.5	-0.9	0.2
Technology & Services	0.9	-1.7	0.3	3.1	1.8	-0.6	1.5	1.2	1.4
Energy and Utilities	4.0	-1.7	-1.0	2.9	0.6	2.3	6.6	0.0	-1.4
Regional markets & Others	13.1	2.7	-5.9	-13.5	-3.1	2.1	0.7	2.3	-6.5
North America	-1.7	-1.5	0.1	0.4	0.8	0.0	1.5	-0.4	0.2
Latin America	-3.2	3.8	-6.2	4.9	0.6	5.9	-3.6	5.3	5.2
UK	2.8	-4.0	0.2	6.5	-2.2	-2.9	3.3	0.0	3.7
Continental Europe	3.6	-6.4	1.9	4.3	2.6	2.5	1.5	-1.2	-1.1
India	21.3	8.2	-15.1	-31.4	0.6	5.8	-0.2	3.4	-11.1
Asia Pacific	4.8	-4.2	2.8	3.1	-0.6	0.6	1.5	1.2	2.6
MEA	7.3	7.7	3.3	-8.9	9.8	9.0	-2.4	0.0	0.2
Total Employees (k)	**612.7**	**607.4**	**608.0**	**613.1**	**593.3**	**582.2**	**584.5**	**593.8**	**598.1**
Net Additions (k)	**5.7**	**-5.4**	**0.6**	**5.1**	**-19.8**	**-11.2**	**2.4**	**9.3**	**4.3**
Attrition (LTM %)	**12.3**	**13.0**	**13.3**	**13.8**	**13.3**	**13.5**	**13.7**	**13.6**	**13.3**

Source: Company, MOFSL

Financials and valuations

Income statement							(INR Bn)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Sales	**1,918**	**2,255**	**2,409**	**2,553**	**2,670**	**2,922**	**3,004**
Change (%)	16.8	17.6	6.8	6.0	4.6	9.4	2.8
Cost of Services	1,146	1,363	1,436	1,542	1,600	1,767	1,827
Gross Profit	**771**	**892**	**973**	**1,011**	**1,070**	**1,155**	**1,178**
SG&A Expenses	287	350	379	389	402	429	426
EBITDA	**530**	**592**	**644**	**674**	**724**	**773**	**816**
% of Net Sales	27.7	26.3	26.7	26.4	27.1	26.4	27.2
Depreciation	46	50	50	52	56	61	75
EBIT	**485**	**542**	**594**	**622**	**668**	**711**	**741**
% of Net Sales	25.3	24.1	24.7	24.3	25.0	24.3	24.7
Other Income	32	27	37	32	35	44	42
PBT	**517**	**569**	**632**	**653**	**704**	**756**	**783**
Tax	132	146	163	165	173	191	198
Rate (%)	25.6	25.7	25.7	25.3	24.6	25.3	25.3
Extraordinary gains/loss	0	0	-7	0	-36	-5	0
Minority Interest	1	2	2	2	2	3	3
PAT	**384**	**423**	**462**	**488**	**495**	**560**	**585**
Change (%)	18.1	10.0	9.3	5.5	1.3	13.2	4.5

Balance Sheet							(INR Bn)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share capital	4	4	4	4	4	4	4
Reserves	888	901	901	944	1,069	1,208	1,351
Net Worth	**891**	**904**	**905**	**948**	**1,072**	**1,211**	**1,355**
Minority Interest & Others	100	97	99	119	142	144	148
Loans	0	0	0	0	0	0	0
Capital Employed	**992**	**1,001**	**1,003**	**1,066**	**1,215**	**1,355**	**1,503**
Gross Block	500	542	586	673	750	820	898
Depreciation	293	343	393	445	501	562	638
Net Block	**207**	**199**	**193**	**227**	**249**	**258**	**260**
Intangibles	55	52	52	54	136	144	145
Other LT assets	70	83	89	84	82	98	101
Curr. Assets	**1,083**	**1,103**	**1,130**	**1,230**	**1,357**	**1,533**	**1,720**
Debtors	418	500	536	590	677	795	818
Cash & Bank Balance	125	71	90	83	64	102	274
Investments	360	401	358	378	403	358	313
Other Current Assets	180	131	146	178	213	278	315
Current Liab. & Prov	**424**	**436**	**461**	**530**	**609**	**677**	**723**
Net Current -Assets	**660**	**667**	**669**	**700**	**748**	**855**	**997**
Application of Funds	**992**	**1,001**	**1,003**	**1,066**	**1,215**	**1,355**	**1,503**

Financials and valuations

Ratios							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Basic (INR)							
EPS	**104.0**	**115.3**	**128.1**	**134.2**	**146.0**	**155.3**	**160.8**
Cash EPS	116.4	129.0	139.9	148.7	151.4	172.3	183.1
Book Value	241.8	247.3	248.1	261.9	296.4	334.8	374.5
DPS	100.9	115.1	72.9	126.0	109.9	117.0	121.1
Payout %	97.1	99.8	56.9	93.9	75.3	75.3	75.3
Valuation (x)							
P/E	20.0	18.0	16.2	15.5	14.2	13.4	12.9
Cash P/E	17.8	16.1	14.8	14.0	13.7	12.0	11.3
EV/EBITDA	14.2	12.7	11.6	11.0	10.3	9.6	8.9
EV/Sales	3.9	3.3	3.1	2.9	2.8	2.5	2.4
Price/Book Value	8.6	8.4	8.4	7.9	7.0	6.2	5.5
Dividend Yield (%)	4.9	5.5	3.5	6.1	5.3	5.6	5.8
Profitability Ratios (%)							
RoE	43.7	46.9	51.7	52.4	52.3	49.2	45.4
RoCE	36.8	40.5	44.0	44.9	44.2	41.4	38.7
Turnover Ratios							
Debtors (Days)	80	81	81	84	93	99	99
Fixed Asset Turnover (x)	9.3	11.3	12.5	11.2	10.7	11.3	11.5

Cash Flow Statement							(INR Bn)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
CF from Operations	427	462	512	523	543	629	657
Cash for Working Capital	-28	-42	-69	-34	-22	-140	-17
Net Operating CF	**399**	**420**	**443**	**489**	**521**	**489**	**640**
Net Purchase of FA	-30	-31	-27	-39	-42	-73	-75
Free Cash Flow	**370**	**389**	**417**	**450**	**479**	**416**	**565**
Net Purchase of Invest.	21	31	87	16	-87	45	45
Net Cash from Invest.	**-9**	**0**	**60**	**-23**	**-128**	**-28**	**-30**
Proc. from equity issues	0	0	0	0	0	0	0
Proceeds from LTB/STB	-195	-57	-16	-16	-17	0	0
Others	-7	-8	-7	-8	-9	0	0
Dividend Payments	-134	-414	-462	-450	-396	-423	-438
Cash Flow from Fin.	**-336**	**-479**	**-485**	**-474**	**-421**	**-423**	**-438**
Net Cash Flow	**56**	**-54**	**19**	**-7**	**-19**	**38**	**172**
Opening Cash Bal.	**73**	**130**	**76**	**95**	**88**	**69**	**107**
Add: Net Cash	56	-54	19	-7	-19	38	172
Closing Cash Bal.	**130**	**76**	**95**	**88**	**69**	**107**	**279**

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