

April 11, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	4,160		4,510	
Sales (Rs. m)	2,693	2,916	2,717	2,956
% Chng.	(0.9)	(1.3)		
EBITDA (Rs. m)	720	791	729	804
% Chng.	(1.1)	(1.7)		
EPS (Rs.)	144.6	160.1	146.4	163.0
% Chng.	(1.3)	(1.8)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	2,409	2,553	2,693	2,916
EBITDA (Rs. bn)	643	673	720	791
Margin (%)	26.7	26.4	26.8	27.1
PAT (Rs. bn)	466	486	523	579
EPS (Rs.)	127.5	134.2	144.6	160.1
Gr. (%)	10.6	5.3	7.7	10.7
DPS (Rs.)	72.9	126.0	130.1	144.1
Yield (%)	2.2	3.9	4.0	4.4
RoE (%)	50.9	51.8	53.7	56.3
RoCE (%)	48.1	49.6	50.8	52.9
EV/Sales (x)	4.7	4.4	4.2	3.9
EV/EBITDA (x)	17.8	16.9	15.7	14.2
PE (x)	25.5	24.2	22.5	20.3
P/BV (x)	12.8	12.4	11.7	11.1

Key Data

TCS.BO | TCS IN

52-W High / Low	Rs.4,520 / Rs.3,056
Sensex / Nifty	73,847 / 22,399
Market Cap	Rs.11,746bn/ \$ 1,35,492m
Shares Outstanding	3,618m
3M Avg. Daily Value	Rs.10418.14m

Shareholding Pattern (%)

Promoter's	71.77
Foreign	12.66
Domestic Institution	10.91
Public & Others	4.66
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(10.1)	(22.4)	(16.4)
Relative	(9.5)	(14.4)	(15.5)

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Weak performance, but valuation stands attractive

Quick Pointers:

- Delayed decision-making returns as macro environment deteriorates
- Deal wins remain strong, above USD 10 bn for 2nd successive quarter

The revenue growth in Q4 was disappointing, missing our estimates by 90bps QoQ, largely attributed to the ramp down in BSNL deal. Otherwise, the international business grew 0.6% QoQ, curtesy BFSI (+1.3% QoQ) and other key geographies that sequentially turned positive after a weak growth reported in Q3. The deal TCV at USD12.2bn (+20% QoQ), was impressive with no major change in the mix or nature of the deals. The management was confident of deriving growth in the international market on the back of strong bookings in H2FY25 and robust playbook in the cost-focused areas. However, we believe the adverse tariff policies and geo-political tension might influence enterprise decisions and scrutinize closure activities, already visible at the fag end of the quarter. On the margins, ramp down of the low-margin BSNL deal and rationalizing employee pyramid are the major levers to pull margins despite the low revenue visibility in FY26E. We are adjusting our revenue estimates for the quarterly miss while keeping our margins broadly unchanged. We expect CC revenue to grow at 2.5% and 6.0% YoY, while expect margins to be reported at 24.7% and 25.1% in FY26E and FY27E. With lower growth visibility and outlook, we are revising our PE multiple to 26x (28x earlier), translating a TP of 4,160. Maintain BUY.

Revenue: TCS 4QFY25 reported numbers came below our and consensus estimates. Revenue declined by 0.8% QoQ in CC, compared to our expectation of 0.1% QoQ CC growth and the consensus estimate of a 0.3% QoQ CC decline. TCS for FY25 reported 4.2% CC growth, up 80 bps YoY.

Operating Margin: TCS's EBIT margin of 24.2% in 4QFY25 was also disappointing with a 40 bps QoQ decline against our projections of 10 bps improvement and the consensus estimate of a 20 bps QoQ increase. Margins declined 30 bps QoQ due to the headwinds of promotions (-100 bps) & strategic marketing (-60 bps) mitigated by the tailwinds of currency tailwinds (+40 bps) and operational efficiency & better revenue mix (+90 bps). TCS for FY reported EBIT margin of 24.3%, down 30 bps YoY.

Deal Wins: Deal was strong for second successive quarter with deal wins of USD 12.2 bn, up 19.6% QoQ. BFSI, Retail & North America TCV was also robust with wins of USD 4 bn, USD 1.7 bn & USD 6.8 bn respectively. These impressive wins comprised a mix of renewals and net new contracts and notably did not include any mega deals.

Valuations and outlook: We estimate USD revenue/earnings CAGR of 4.2%/9.2% over FY25-FY27E. The stock is currently trading at 20.3x FY27E, we are assigning P/E of 26x to FY27E with a target price of INR 4,160. We maintain "BUY" rating.

Impressive TCV wins, but miss on topline and margins

- Revenue at \$7.46bn, down 0.8% QoQ in CC vs our & consensus estimates of +0.3% and -0.3% QoQ CC growth. Cross currency headwinds of 20 bps led to reported revenue decline of 1.0% QoQ
- Weakness was led by North America and India down 6.2% and 15.1% QoQ, respectively. BFSI grew 1.3% QoQ, while Manufacturing, Communications & Retail declined by 1% QoQ each
- **Reported strong TCV of US\$ 12.2 bn (+19.6% QoQ). BFSI, Retail & North America TCV came in at US\$4.0 bn (+25% QoQ), US\$ 1.7 bn (+31% QoQ) & US\$ 6.8 bn (+15.3% QoQ) respectively. Book to bill (LTM) at 1.3x**
- EBIT margin of 24.2% (down 30bp QoQ) was below our and consensus estimates of 24.6%. **Subcon expenses as % rev increased by 20 bps QoQ, while Software & Equipment cost (majorly attributed to BSNL deal) reduced by 120 bps QoQ**
- **Net employees increased by 600 to 608k in 4Q, LTM Attrition was up by 30bps QoQ to 13.3%**
- PAT came at Rs. 122 bn (19.0% PAT margin), below our estimates of Rs. 123bn due to miss in estimates
- **FY25 CC revenue growth and margins came in at 4.2% and 24.3% vs our estimates of 4.5% and 24.5%, respectively**
- Final Dividend of Rs. 30/share in 4Q

Conference Call Highlights

- Management reported a shift in the demand environment, which had been improving since the end of Q3 but turned negative from late February due to global tariff war macro headwinds. This resulted in delayed client decisions on deal closures and project starts. While no project cancellations have occurred, the uncertain economic climate has caused ramp-downs in some projects. The management anticipates this macro headwind to be short-lived and expects demand to recover as uncertainty diminishes.
- The management mentioned that the global tariff war had a broad impact, with the Retail/CPG, Consumer, Travel & Logistics, and Auto sectors being particularly affected. They further mentioned that they have also witnessed some softness in Insurance and Professional services segments. However, BFS segment is still not impacted by the current headwinds and the momentum in BFS is expected to continue.
- Sector-wise demand: In the healthcare segment, management indicated a longer deal closure cycle but noted vendor consolidation opportunities. The Manufacturing segment continues to see weakness in the auto sub-segment, and the aerospace sub-segment also remains weak due to supply chain challenges. Management further mentioned that the Retail segment faces ongoing macro challenges, and the Insurance segment, particularly in the US, experienced delayed decision-making. However, the ENU segment continues to perform well, and this momentum is expected to continue due to a strong pipeline. In growth markets, public sector spending will drive growth.

- Management stated that the initial contract with BSNL will conclude Q1FY26. They however expressed confidence that the anticipated revenue loss from BSNL deal in FY26 will be compensated by growth in both domestic and international business.
- Deal wins remained robust for the second consecutive quarter, with a total TCV of USD 12.2 bn in Q4, following USD 10.2 bn in Q3. Management reported that these wins comprised a mix of renewals and net new contracts. Furthermore, they noted no change in the proportion of cost optimization versus transformation deals since Q3.
- The management mentioned that despite the current macro headwinds, it expects FY26 to be better than FY25 for its international business *on the back of strong deal wins in the last two quarters*. The management further noted that their clients' IT budget remains similar to last year, but *they are cautiously optimistic for FY26 regarding better enterprise tech spending because they believe the current macro headwind is of a temporary nature*. They further expressed optimism *as they are witnessing* enterprise spending on transformation projects through cost optimization programs, which they believe *are signs* that enterprises will increase spending on transformation projects when the macro environment improves.
- The management mentioned that demand for AI remains strong, and it is witnessing traction in AI, Gen AI, and Agentic AI projects. They further mentioned that they are investing in industry-specific AI solutions and expanding their partnerships to increase their AI offerings. They further mentioned that although they are passing back some productivity benefits to clients, Gen AI has not led to a significant loss of business for them, as new AI projects are compensating for the productivity passback.
- Management expressed confidence that FY26 margins will be better than FY25. They further mentioned that they are delaying the wage hike, which the company typically implements in Q1, until the demand environment improves. The management also mentioned that the tailwinds for margin improvement in FY26 will be productivity, pyramid structure, and realization.
- The management reiterated their EBIT margin band aspiration of 26-28% in the medium term.
- TCS announced the appointment of Ms. Aarthi Subramanian as COO for a period of 5 years commencing May 1, 2025, and Mr. Mangesh Sathe as CSO commencing May 1, 2025.

Exhibit 1: 4QFY25 Results: Revenue & Margins comes below Ple

	4QFY25	4QFY25E	% Var.	3QFY25	QoQ gr. (%)	4QFY24	YoY gr. (%)	FY25	FY24	YoY gr. (%)
IT Services Revenue (USD m)	7,465	7,522	-0.8	7,539	-1.0	7,363	1.4	30,179	29,080	3.8
Overall Revenue (INR b)	645	643	0.2	640	0.8	612	5.3	2,553	2,409	6.0
Gross Profit	250	249	0.6	248	0.7	252	-0.7	993	973	2.1
Gross Margin (%)	38.8	38.6	10bps	38.8	0bps	41.1	-240bps	38.9	40.4	-150bps
SG&A and Other Costs	94.0	90.1	4.4	92	2.5	93	1.4	372	380	-2.2
% of Rev	14.6	14.0	60bps	14.3	20bps	15.1	-60bps	14.6	15.8	-120bps
EBITDA	169	171	-1.7	170	-1.1	172	-1.8	673	643	4.6
EBITDA Margin (%)	26.1	26.6	-50bps	26.6	-50bps	28.0	-190bps	26.4	26.7	-30bps
Depreciation	13	13	-2.9	14	-9	12	0.3	51	50	2.6
% of Rev	1.9	2.0	-10bps	2.2	-20bps	2.0	-10bps	2.0	2.1	-10bps
EBIT	156	159	-1.6	157	-0.4	159	-2.0	622	593	4.8
EBIT Margin (%)	24.2	24.6	-40bps	24.5	-30bps	26.0	-180bps	24.3	24.6	-30bps
Other Income (net)	8	8	3.7	10	-20.6	9	-14.0	32	37	-15.1
PBT	164	166	-1.3	166.7	-1.6	168.5	-2.7	653	630	3.6
Tax	41	42	-3.1	42	-2.7	43	-5.5	165	163	1.7
Effective tax rate (%)	25.1	25.5	-40bps	25.3	-30bps	25.8	-70bps	25.3	25.8	-50bps
Adjusted PAT	122	123	-0.8	124	-1.3	124	-1.7	487	466	4.5
Exceptional items	0.0	0.0	NA	0.0	NA	0.0	NA	0	-6.8	NA
Reported PAT	122	123	-0.8	124	-1.3	124	-1.7	487	459	6.0
Reported EPS (INR)	34	34	-0.8	34	-1.3	34	-0.9	135	126	7.1

Source: Company, PL

Exhibit 2: Regional growth (%)

Geographies	Contribution to revenue (%)	QoQ gr. (%)
North America	48.2	0.1
Latin America	1.8	-6.2
UK	16.8	0.2
Continental Europe	14.3	1.9
India	8.4	-15.1
Asia Pacific	8.1	2.8
MEA	2.4	3.3

Source: Company, PL

Exhibit 3: Vertical Growth (%)

Verticals	Contribution to revenue (%)	QoQ gr. (%)
BFSI	31.2	1.3
Retail & CPG	15.3	-1.0
Communications & Media	5.8	-1.0
Manufacturing	8.4	-1.0
Life Sciences & Healthcare	10.1	-2.0
Technology & Services	8.1	0.3
Energy and Utilities	5.7	0.8
Regional markets & Others	15.4	-6.4

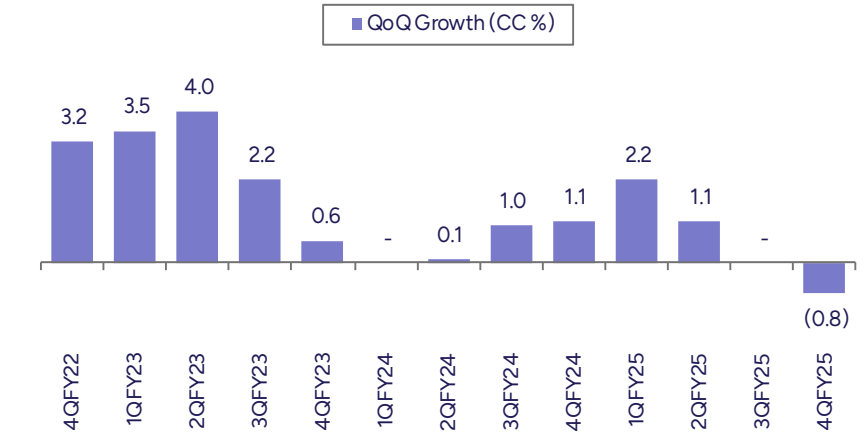
Source: Company, PL

Exhibit 4: Key Performance Indicator

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	FY24	FY25
Revenue (QoQ CC %)	0.0	0.1	1.0	1.1	2.2	1.1	0.0	-0.8	3.4	4.2
Costs (% of revenue)										
COGS	60.5	59.9	59.2	58.9	60.1	61.8	61.2	61.2	59.6	61.1
SGA	16.4	15.8	15.8	15.1	15.2	14.1	14.3	14.6	15.8	14.6
Margins										
Gross Margin	39.5	40.1	40.8	41.1	39.9	38.2	38.8	38.8	40.4	38.9
EBIT Margin	23.2	24.3	25.0	26.0	24.7	24.1	24.5	24.2	24.6	24.3
Net Margin	18.7	19.1	19.4	20.4	19.3	18.6	19.5	19.1	19.1	19.1
Operating metrics										
Headcount (k)	615	609	603	602	607	613	607	608	602	608
Attrition (%)	17.8	14.9	13.3	12.5	12.1	12.3	13.0	13.3	12.5	13.3
Deal Win TCW (USD b)	10.2	11.2	8.1	13.2	8.3	8.6	10.2	12.2	42.7	39.3

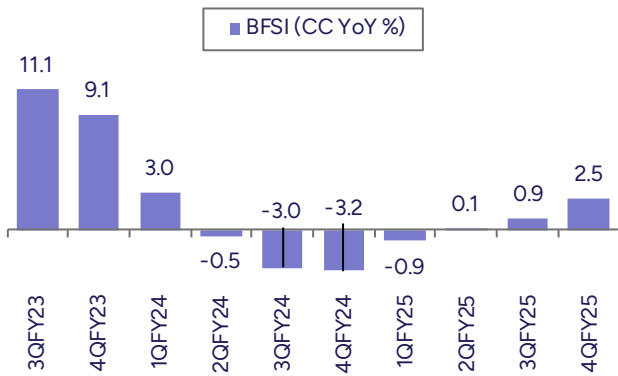
Source: Company, PL

Exhibit 5: Q4 revenue declined by 0.8% QoQ vs our estimate of 0.1% QoQ growth



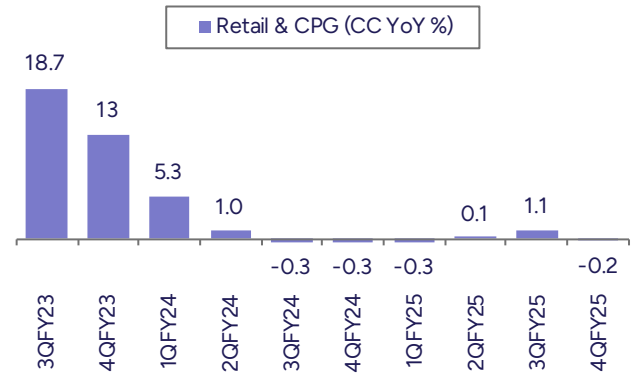
Source: Company, PL

Exhibit 6: BFSI revival continues



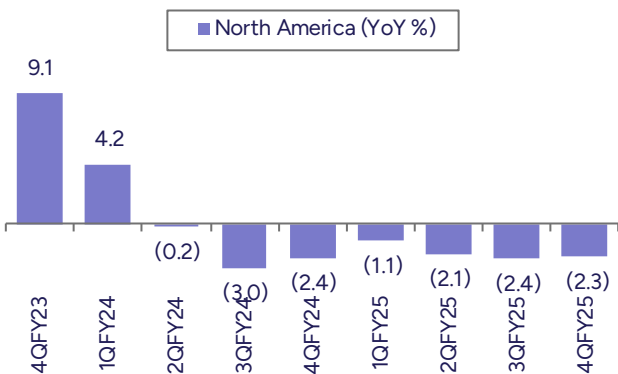
Source: Company, PL

Exhibit 7: Retail impacted by macros



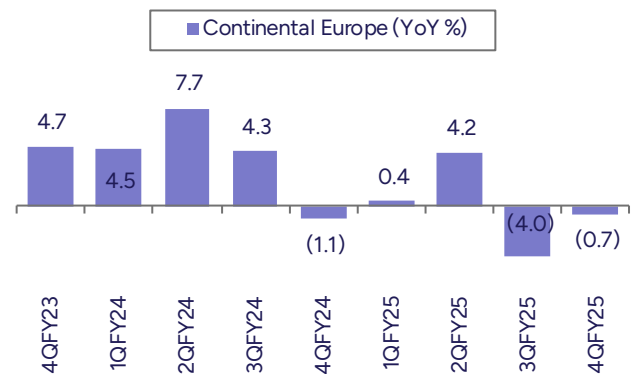
Source: Company, PL

Exhibit 8: North America declined by 1.9% YoY



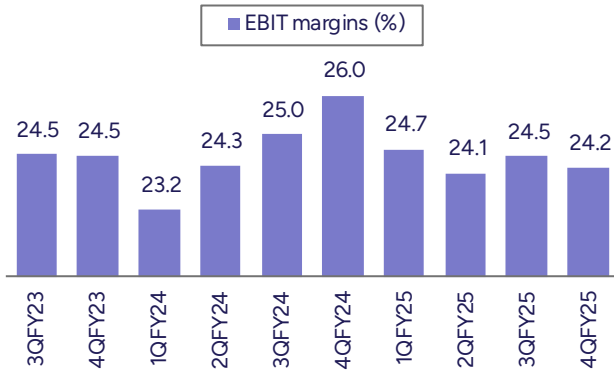
Source: Company, PL

Exhibit 9: Continental Europe remains weak



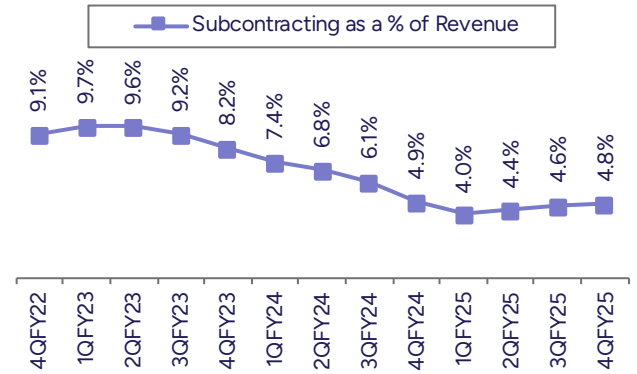
Source: Company, PL

Exhibit 10: Margins decline by 30 bps



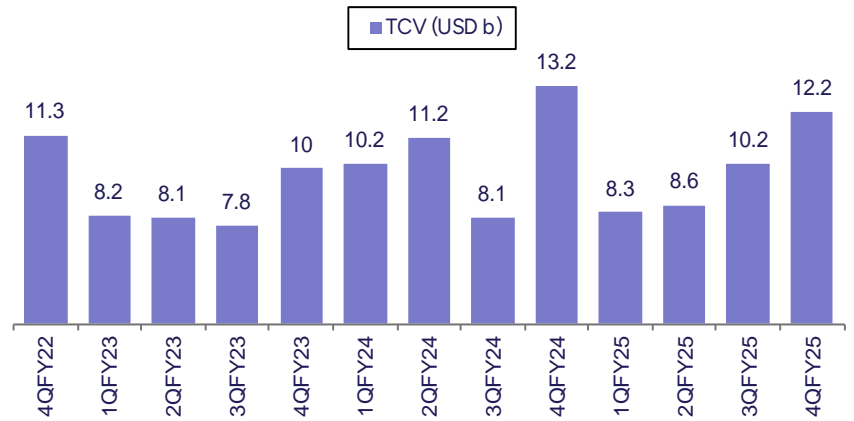
Source: Company, PL

Exhibit 11: Sub-contracting cost increases marginally



Source: Company, PL

Exhibit 12: Deal wins above USD 10 bn for 2nd successive quarter



Source: Company, PL

Exhibit 13: Operating Metrics

Consolidated (INR b)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Verticals (%)												
BFSI	32.1	33.6	33.1	32.9	32.5	32.6	31.7	31.3	30.9	30.8	30.5	31.2
Retail & CPG	15.9	16.1	16.0	16.0	16.1	15.9	15.7	15.7	15.4	15.1	15.3	15.3
Communication & Media	6.8	7.3	7.2	7.1	7.0	6.9	6.7	6.6	6.2	5.9	5.8	5.8
Manufacturing	9.9	8.2	8.2	8.2	8.3	8.5	8.6	8.8	8.8	8.6	8.4	8.4
Life Sciences & Healthcare	10.1	10.7	10.8	10.9	11.0	10.9	10.9	10.9	11.0	10.4	10.2	10.1
Technology & Services	8.8	9.1	9.0	8.9	8.7	8.6	8.4	8.2	8.1	8.0	8.0	8.1
Energy & Utilities		5.0	5.2	5.4	5.5	5.6	5.7	5.7	5.7	5.7	5.7	5.7
Regional markets & Others	16.4	10.0	10.5	10.6	10.9	11.0	12.3	12.9	14.0	15.5	16.3	15.4
Geographies (%)												
North America	53.2	54.3	53.7	52.4	52.0	51.7	50.6	50.0	49.5	47.6	47.7	48.2
Latin America	1.8	1.7	1.8	1.8	2.0	2.0	2.1	2.0	1.9	1.8	1.9	1.8
UK	14.9	14.5	14.9	15.7	16.4	16.5	16.4	16.8	16.9	17.0	16.6	16.8
Continental Europe	15.2	14.5	14.8	15.1	14.9	14.9	15.0	14.6	14.4	14.6	13.9	14.3
India	4.8	5.1	5.1	5.0	4.9	4.9	6.1	6.7	7.5	8.9	9.8	8.4
Asia Pacific	8.3	8.0	7.9	8.0	7.8	7.8	7.8	7.8	7.8	8.0	7.8	8.1
MEA	1.8	1.9	1.8	2.0	2.0	2.2	2.0	2.1	2.0	2.1	2.3	2.4
QoQ growth (%)												
BFSI	1.9	6.2	1.3	1.1	-0.8	0.1	-1.8	-0.1	0.6	1.9	-2.7	1.3
Retail & CPG	4.5	2.7	2.2	1.7	1.1	-1.5	-0.3	1.1	0.0	0.2	-0.4	-1.0
Communication & Media	2.8	8.9	1.5	0.3	-1.0	-1.6	-1.9	-0.4	-4.2	-2.7	-3.4	-1.0
Manufacturing	0.2	-16.0	2.9	1.7	1.7	2.2	2.2	3.5	1.9	-0.1	-4.0	-1.0
Life Sciences & Healthcare	2.3	7.5	3.8	2.6	1.4	-1.1	1.0	1.1	2.9	-3.4	-3.6	-2.0
Technology & Services	2.4	4.9	1.7	0.6	-1.8	-1.4	-1.4	-1.3	0.7	0.9	-1.7	0.3
Energy and Utilities			7.0	5.6	2.3	1.6	2.8	-0.6	1.9	4.0	-3.4	0.8
Regional markets & Others	-4.0	-38.2	8.0	2.7	3.3	0.7	12.9	6.1	10.6	13.1	3.4	-6.4
North America	4.4	3.5	1.7	-0.8	-0.3	-0.8	-1.2	-0.1	0.9	-1.7	-1.5	0.1
Latin America	7.2	-4.2	8.9	1.7	11.6	-0.2	6.0	-3.7	-3.2	-3.2	3.8	-6.2
UK	-3.3	-1.3	5.7	7.2	4.9	0.4	0.4	3.6	2.5	2.8	-4.0	0.2
Continental Europe	-0.7	-3.2	5.0	3.8	-0.9	-0.2	1.7	-1.6	0.5	3.6	-6.4	1.9
India	-4.7	7.8	2.9	-0.3	-1.6	-0.2	25.7	11.1	14.1	21.3	8.2	-15.1
Asia Pacific	-1.1	-2.2	1.6	3.0	-2.1	-0.2	1.0	1.1	1.9	4.8	-4.2	2.8
MEA	-8.9	7.1	-2.5	13.0	0.4	9.8	-8.2	6.2	-2.9	7.3	7.7	3.3
Total Employees (k)	606.3	616.2	614.0	614.8	615.3	609.0	603.3	601.5	607.0	612.7	607.4	608.0
Net Additions (k)	14.1	9.8	-2.2	0.8	0.5	-6.3	-5.7	-1.8	5.5	5.7	-5.4	0.6
Attrition (LTM %)	19.7	21.5	21.3	20.1	17.8	14.9	13.3	12.5	12.1	12.3	13.0	13.3

Source: Company, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	2,409	2,553	2,693	2,916
YoY gr. (%)	6.8	6.0	5.5	8.3
Employee Cost	1,436	1,560	1,652	1,771
Gross Profit	973	993	1,041	1,145
Margin (%)	40.4	38.9	38.7	39.3
Employee Cost	-	-	-	-
Other Expenses	63	64	54	58
EBITDA	643	673	720	791
YoY gr. (%)	8.5	4.6	7.1	9.8
Margin (%)	26.7	26.4	26.8	27.1
Depreciation and Amortization	50	51	57	60
EBIT	593	622	664	731
Margin (%)	24.6	24.3	24.7	25.1
Net Interest	-	-	-	-
Other Income	37	32	41	50
Profit Before Tax	630	653	705	780
Margin (%)	26.2	25.6	26.2	26.8
Total Tax	163	165	180	199
Effective tax rate (%)	25.8	25.3	25.5	25.5
Profit after tax	468	488	525	581
Minority interest	2	2	2	2
Share Profit from Associate	-	-	-	-
Adjusted PAT	466	486	523	579
YoY gr. (%)	10.5	4.2	7.7	10.7
Margin (%)	19.3	19.0	19.4	19.9
Extra Ord. Income / (Exp)	(7)	-	-	-
Reported PAT	459	486	523	579
YoY gr. (%)	8.9	5.8	7.7	10.7
Margin (%)	19.1	19.0	19.4	19.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	459	486	523	579
Equity Shares O/s (bn)	4	4	4	4
EPS (Rs)	127.5	134.2	144.6	160.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	608	703	747	796
Tangibles	608	703	747	796
Intangibles	-	-	-	-
Acc: Dep / Amortization	412	476	543	616
Tangibles	412	476	543	616
Intangibles	-	-	-	-
Net fixed assets	196	227	205	180
Tangibles	196	227	205	180
Intangibles	-	-	-	-
Capital Work In Progress	-	-	-	-
Goodwill	40	19	19	19
Non-Current Investments	53	56	58	63
Net Deferred tax assets	24	26	27	30
Other Non-Current Assets	33	29	30	33
Current Assets				
Investments	353	307	357	407
Inventories	-	-	-	-
Trade receivables	444	501	529	573
Cash & Bank Balance	90	83	94	99
Other Current Assets	216	311	328	355
Total Assets	1,486	1,596	1,686	1,801
Equity				
Equity Share Capital	4	4	4	4
Other Equity	923	944	996	1,054
Total Network	926	948	1,000	1,058
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	80	99	104	113
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	100	139	147	158
Other current liabilities	361	391	412	446
Total Equity & Liabilities	1,486	1,596	1,686	1,801

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	461	488	705	780
Add. Depreciation	50	52	55	59
Add. Interest	0	(25)	-	-
Less Financial Other Income	37	32	41	50
Add. Other	0	(2)	-	-
Op. profit before WC changes	511	513	760	839
Net Changes-WC	(76)	(34)	(17)	(29)
Direct tax	34	9	(180)	(199)
Net cash from Op. activities	469	489	564	611
Capital expenditures	(27)	(50)	(32)	(35)
Interest / Dividend Income	-	31	-	-
Others	54	(4)	(50)	(50)
Net Cash from Invt. activities	27	(23)	(82)	(85)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(252)	(450)	(471)	(521)
Interest paid	-	(8)	-	-
Others	(226)	(16)	-	-
Net cash from Fin. activities	(478)	(474)	(471)	(521)
Net change in cash	18	(8)	10	5
Free Cash Flow	443	439	531	576

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	626	643	640	645
YoY gr. (%)	5.4	7.7	5.6	5.3
Raw Material Expenses	377	397	391	395
Gross Profit	250	245	248	250
Margin (%)	39.9	38.2	38.8	38.8
EBITDA	167	167	170	169
YoY gr. (%)	11.1	6.3	3.9	(1.8)
Margin (%)	26.6	26.0	26.6	26.1
Depreciation / Depletion	12	13	14	13
EBIT	154	155	157	156
Margin (%)	24.7	24.1	24.5	24.2
Net Interest	-	-	-	-
Other Income	8	6	10	8
Profit before Tax	162	160	167	164
Margin (%)	25.9	24.9	26.1	25.4
Total Tax	41	41	42	41
Effective tax rate (%)	25.4	25.4	25.3	25.1
Profit after Tax	121	120	124	123
Minority interest	1	-	1	1
Share Profit from Associates	-	-	-	-
Adjusted PAT	120	119	124	122
YoY gr. (%)	8.7	5.0	5.5	(1.7)
Margin (%)	19.2	18.5	19.4	19.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	120	119	124	122
YoY gr. (%)	8.7	5.0	12.0	(1.7)
Margin (%)	19.2	18.5	19.4	19.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	120	119	124	122
Avg. Shares O/s (m)	4	4	4	4
EPS (Rs)	33.3	32.9	34.2	33.8

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	127.5	134.2	144.6	160.1
CEPS	141.1	148.3	160.2	176.7
BVPS	253.4	261.9	276.4	292.4
FCF	121.1	121.4	146.8	159.2
DPS	72.9	126.0	130.1	144.1
Return Ratio(%)				
RoCE	48.1	49.6	50.8	52.9
ROIC	32.2	31.5	31.7	32.7
RoE	50.9	51.8	53.7	56.3
Balance Sheet				
Net Debt : Equity (x)	(0.5)	(0.4)	(0.5)	(0.5)
Net Working Capital (Days)	52	52	52	52
Valuation(x)				
PER	25.5	24.2	22.5	20.3
P/B	12.8	12.4	11.7	11.1
P/CEPS	23.0	21.9	20.3	18.4
EV/EBITDA	17.8	16.9	15.7	14.2
EV/Sales	4.7	4.4	4.2	3.9
Dividend Yield (%)	2.2	3.9	4.0	4.4

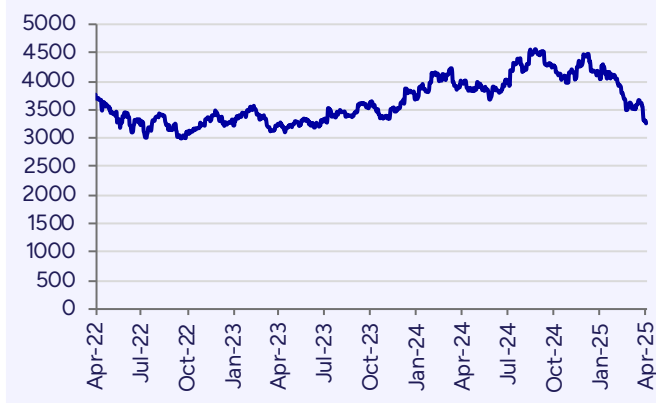
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Revenue (USD mn)	29,080	30,179	30,956	32,764

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Apr-25	BUY	4,510	3,544
2	27-Mar-25	BUY	4,510	3,636
3	10-Jan-25	BUY	4,810	4,039
4	07-Jan-25	BUY	4,900	4,100
5	11-Oct-24	BUY	4,920	4,227
6	03-Oct-24	BUY	4,950	4,288
7	12-Jul-24	Accumulate	4,370	3,924
8	02-Jul-24	Accumulate	4,360	3,978
9	14-Apr-24	Accumulate	4,360	4,001

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	BUY	1,560	1,255
2	HCL Technologies	Accumulate	1,740	1,528
3	Infosys	BUY	2,020	1,550
4	LTIMindtree	BUY	5,790	4,500
5	Mphasis	BUY	2,940	2,474
6	Persistent Systems	Accumulate	5,920	5,318
7	Tata Consultancy Services	BUY	4,510	3,544
8	Tech Mahindra	Accumulate	1,540	1,423
9	Wipro	Accumulate	290	264

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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