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India | Equity Research | Results Update

Tata Consultancy Services

Technology

Gradual uptick in revenue growth trajectory

TCS saw improving market share in larger vendor consolidation and cost take-out deals, with five mega deal wins in FY26. While we envisage a slow and gradual improvement in TCS' revenue growth with tailwinds from stronger deal bookings in Q4, healthy deal pipeline, better demand outlook in consumer (ex. travel), technology and communication verticals, and AI-led modernisation, this could be offset by AI-led deflation and a muted macro amidst ongoing geopolitical volatility. TCS has reinstated its annual wage-hike cycle to Q1 for FY27, signalling confidence in an improving growth trajectory. TCS' industry-leading margin provides it a buffer to invest in building AI capabilities and expand sales funnel. We continue to value TCS at 17x on FY28E EPS of INR 164 and arrive at a TP of INR 2,800. Maintain **ADD**.

Largely in-line quarter led by energy and consumer verticals

TCS reported Q4FY26 revenue growth of 1.2% QoQ CC (vs. I-Sec: 1.4%; Cons: 1%) and -0.6% YoY CC. We estimate 0.4% contribution from the Coastal Cloud acquisition, implying organic growth of 0.8% CC. Growth was led by consumer (3.47% QoQ USD), energy and resources (6.57% QoQ USD), manufacturing (1.49% QoQ USD) and technology (1.49% QoQ USD). Rest of the verticals saw soft growth. Demand is improving in communication, technology and consumer (ex. travel) verticals, while client spending sentiment was cautious in BFSI and manufacturing amid macro and geopolitical volatility. Annualised AI revenue crossed USD 2.3bn (7.6% of FY26 revenue) in Q4FY26 vs. USD 1.8bn in Q3FY26.

Strong deal TCV in Q4FY26 led by three mega deals

Deal TCV stood at USD12bn (29% QoQ/-1.6% YoY), above its four-quarter average deal TCV run-rate of USD 10bn. This was supported by three mega deal wins – 1) Marks & Spencer, 2) a leading UK telecom operator and 3) a leading US healthcare and pharmacy retailer. ~50–55% of TCS' Q4 TCV was comprised of renewals, with the remaining 40–45% being new programmes. Two mega deals in retail led to strong TCV of USD 2.8bn (100% QoQ/65% YoY) in this vertical. FY26 TCV stood at USD 40.7bn, up 3.6% YoY, driven by vendor consolidation, AI-led modernisation and transformation, and regulatory compliance programmes. Deal pipeline is healthy and could lead to better revenue growth in FY27 vs. FY26 (0.1% YoY CC for international markets).

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	25,53,240	26,70,210	28,70,848	30,30,536
EBITDA	6,74,070	7,23,980	7,73,750	8,19,812
EBITDA Margin (%)	26.4	27.1	27.0	27.1
Net Profit	4,87,970	5,43,171	5,58,401	5,98,030
EPS (Rs)	134.2	136.0	153.6	164.6
EPS % Chg YoY	6.9	1.3	13.0	7.1
P/E (x)	19.3	19.0	16.9	15.7
EV/EBITDA (x)	13.8	12.9	11.9	11.2
RoCE (%)	48.5	49.5	46.1	45.4
RoE (%)	50.8	51.9	48.0	47.8

Ruchi Mukhija

ruchi.mukhija@icicisecurities.com
+91 22 6807 7573

Aditi Patil

aditi.patil@icicisecurities.com

Seema Nayak

seema.nayak@icicisecurities.com

Market Data

Market Cap (INR)	9,367bn
Market Cap (USD)	1,01,120mn
Bloomberg Code	TCS IN
Reuters Code	TCS.BO
52-week Range (INR)	3,578 /2,346
Free Float (%)	28.0
ADTV-3M (mn) (USD)	127.8

Price Performance (%)	3m	6m	12m
Absolute	(18.1)	(14.2)	(19.1)
Relative to Sensex	(9.8)	(7.5)	(22.9)

ESG Score	2024	2025	Change
ESG score	72.6	71.1	(1.5)
Environment	60.0	59.4	(0.6)
Social	73.2	64.1	(9.1)
Governance	79.6	82.4	2.8

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY27E	FY28E
USD Revenue	0.1	0.2
EBIT	0.8	0.2
EPS	(0.6)	0.1

Previous Reports

01-04-2026: [IT services Q4FY26 preview](#)13-01-2026: [Q3FY26 results review](#)

Q4FY26 margin – investments for growth balanced by value-led delivery and currency benefits

Q4FY26 EBIT margin stood at 25.3%, 10bps QoQ (vs. I-Sec: 25.2%; Cons: 25.3%). Gross margin shrank 10bps QoQ to 40.7%; this was offset by lower SG&A expenses (-20bps QoQ). Headwinds of: 1) 40bps from hire sub-con costs; 2) 40bps from targeted interventions for retaining critical talent and labour code charges; 3) 50bps from AI native partnerships and GTM investments; and 4) 10bps from integration of acquisition-related investments were offset by tailwinds of: 1) 40bps from realisation improvement; and 2) 110bps from favourable currency movement.

TCS has rolled out its wage hike effective 1 Apr'26 covering all employees. This is likely to impact margins by 150–200bps QoQ in Q1FY27E and an incremental headwind in FY27 vs. FY26 (as a wage hike was rolled out in Sep'25 covering 80% of its employees). Wage hike plus investments in AI capability building are likely to be offset by operating efficiencies and favourable currency movement.

AI revenue gaining traction

AI-driven revenue is likely to grow rapidly and eventually overcompensate for deflation in traditional service lines. However, management was careful to note that the timelines for this crossover are uncertain. In the near term, the strategy is to 'arrest de-growth' in legacy service lines while rapidly scaling AI revenue, which stands at an annualised USD 2.3bn (~7.6% of FY26 revenue).

Three key revenue buckets growing due to AI adoption are: 1) Ongoing digital transformation encompassing cloud adoption, data modernisation, enterprise system upgrades (SAP S/4HANA, Salesforce) — still a large, ongoing opportunity; 2) AI-led modernisation – using AI to accelerate tech debt reduction, which was previously cost-prohibitive and slow. This is emerging as a high-value service area. 3) Pure-play AI transformation – industry value chain reimagination, where AI engagements create direct and measurable business impact for clients.

Agentic AI is gaining rapid traction in business process services. TCS deployed AI agents in procurement and bid management for a steel major, reducing the order-to-invoice cycle from 28 days to under 10 days. Adoption cycles for AI in BPS are accelerating compared to FY25, as clients become more confident about deploying AI in production environments with appropriate governance and security guardrails.

TCS Hypervolt, announced in Oct'25, represents TCS' foray into AI data centre infrastructure. The business has made significant progress this quarter, with customer commitments, land parcel finalisations, and partnership agreements now in place. Demand is converging around anchor AI workloads in the 100–200MW range per customer. TCS has structured a deep partner ecosystem including Tata Power, Tata Projects, Tata Communications, GE, Honeywell, ABB and Siemens.

Vertical-wise demand outlook

Banking, Financial Services and Insurance (BFSI)

Continues to grow in Q4, though client sentiment remained cautious amid macro and geopolitical volatility. Uncertainty around interest rates, inflation, and central bank actions weighed on discretionary investment decision-making.

Spending increasingly shifted from experimentation to industrialised, business-driven transformation, with a strong emphasis on cost discipline, regulatory resilience, and measurable outcomes. Key client priorities included core and legacy modernisation, data estate transformation, cloud migration, and productivity-led operating model transformation via scaled AI deployments.

Consumer Business Group (CBG)

CBG saw another quarter of good growth, supported by market share gains and emerging pockets of technology conviction. Retail and CPG segments in UK and EMEA led the growth, while CPG and travel and transportation in North America declined.

CBG recorded an all-time high TCV this quarter, including two mega deal wins — the renewal and expansion of the long-standing Marks & Spencer relationship and a significant deal with a leading US healthcare and pharmacy retailer. Enterprises continue to focus on vendor consolidation, legacy modernisation, and selective AI adoption.

Life sciences and healthcare

The vertical saw marginal growth in Q4. Healthcare payers are managing rising costs and friction with providers over pre-authorisation and claims issues, with priorities centred on affordability, transparency, and better patient experiences.

Pharmaceutical companies are streamlining pipelines and accelerating AI adoption to tackle growth and pricing pressures, with vendor consolidation and enterprise-wide transformation being key themes. Regulatory changes are adding to compliance costs and prompting selective modernisation.

Manufacturing

Client demand across manufacturing remained cautious in Q4, shaped by macroeconomic uncertainty, tariff volatility, recalibration of EV demand, and restraint in capital expenditure across automotive, industrial, and chemicals.

Customers prioritised near-term cost optimisation and operational resilience, with sustained focus on AI-led productivity (predictive maintenance, quality automation), ERP and cloud modernisation.

Technology and services (TMT)

The technology and software segment saw healthy growth in Q4. Demand remained disciplined amid geopolitical tensions, tariff uncertainty, and data sovereignty requirements.

Clients prioritised cost rationalisation to fund strategic AI transformation, with spend focused on vendor consolidation, GCC expansion, structural efficiency, and reinvestment into core product portfolios.

Communications, Media & Information Services (CMI)

Communication vertical saw a modest decline in Q4, though TCS is witnessing optimistic signs of a rebound in IT spending. Telecom operators are advancing into adjacent businesses while enhancing core efficiency.

Notably, TCS signed its first mega deal in CMI this quarter — a significant five-year expansion of its partnership with a leading UK-based telecom operator.

Energy & Resources (ENU)

The ENU segment demonstrated robust growth in Q4, led by supply chain modernisation initiatives. However, the utility segment is under stress, opening up significant cost-optimisation opportunities.

Geographical momentum

Demand remains healthy in North America which grew 1.4% QoQ in CC terms. UK grew 2.4% QoQ CC, aided by large deal ramp-ups and a mega deal win in the telecom sector. Europe grew 1.0% QoQ CC, supported by retail and CPG demand as well as legacy modernisation programmes.

FY26 performance

TCS' revenue grew -2.4% YoY CC (0.1% for international markets) in FY26. Growth was led by BFSI (1% YoY CC), Technology Services (2.2% YoY CC) and Energy & Resources (3.1% YoY CC). Rest of the verticals declined. FY26 EBIT margin stood at 25.0%, up 70 bps YoY. Strategic reinvestment — talent and capability building created a 200bps headwind, while ecosystem partnerships and GTM pipeline investments added another 100bps of drag. These were more than offset by improvements in business mix, productivity and realisation (+100 bps), pyramid rebalancing (+80 bps), and favourable currency (+190 bps). FY26 deal bookings saw modest growth of 3.6% YoY, despite 5 mega deals (vs 2 in FY25). Client metrics improved with two accounts added in USD 100mn+, nine in USD 50mn+, and 13 in USD 20mn+ buckets.

Key risks: Cutbacks in AI-led discretionary spending and AI-led deflationary impact on revenue intensifying in FY27.

Exhibit 1: Quarterly performance

(INR bn)	Q4FY26	Q3FY26	QoQ	Q4FY25	YoY	I-Sec	vs I-Sec	Consensus	vs Consensus
CC growth	1.2%	0.8%		-0.8%		1.4%	-17 bps	1.0%	20 bps
Sales (USD m)	7,621	7,509	1.5%	7,465	2.1%	7,635	-0.2%	7,623	-0.03%
USD/INR	92.8	89.3	3.8%	86.4	7.4%	92.3	0.5%	91.5	
Sales (INR bn)	707	671	5.4%	645	9.6%	705	0.3%	697.6	1.3%
EBIT	179	169	5.8%	156	14.5%	177	0.7%	176.5	1.2%
EBIT Margin	25.3%	25.2%	10 bps	24.2%	108 bps	25.2%	11 bps	25.3%	-2 bps
Reported PAT	137	135	1.9%	122	12.2%	137	-0.1%	138.1	-0.7%
EPS	37.9	37.2	2.0%	33.8	12.2%	38.0	-0.1%	37.8	0.4%

Source: Company data, I-Sec research

Exhibit 2: TCS – change in estimates

	New		Old		New vs. Old	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenues (USD mn)	31,333	32,941	31,299	32,891	0.1%	0.2%
Revenue growth YoY CC	4.3%	5.1%	4.2%	5.1%	20bps	0bps
Revenue growth YoY USD	4.4%	5.1%	4.2%	5.1%	20bps	0bps
USD/INR	91.6	92.0	91.00	92.00	0.7%	0.0%
INR bn						
Revenues	2,871	3,031	2,848	3,026	0.8%	0.2%
EBIT	716	759	711	758	0.8%	0.2%
EBIT margin	25.0%	25.1%	25.0%	25.1%	0bps	0bps
EPS (INR/share)	153.6	164.6	154.6	164.4	-0.6%	0.1%

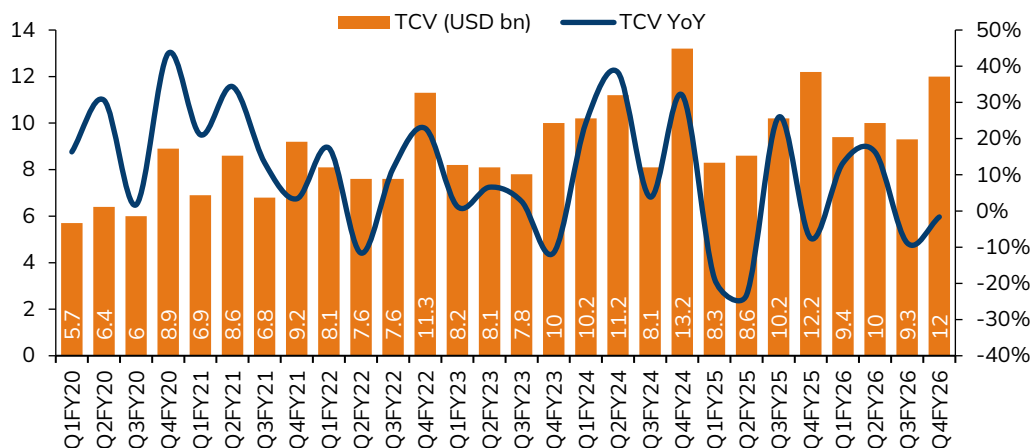
Source: I-Sec research, Company data | our model doesn't factor in data centre business

Exhibit 3: Sub-contracting cost was up 40bps QoQ due to investments for new large deals, employee costs decreased 60bps QoQ on account of operating efficiencies

Cost line items	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
COGS												
Employee costs	45.97%	45.85%	44.48%	45.12%	45.97%	45.55%	44.37%	45.27%	47.60%	46.95%	44.91%	44.70%
Fees to External Consultants	7.39%	6.83%	6.14%	4.57%	4.03%	4.37%	4.40%	4.51%	4.83%	5.03%	5.31%	5.69%
Travel	0.83%	0.85%	0.80%	0.94%	0.98%	0.95%	0.86%	0.87%	0.96%	0.89%	0.80%	0.83%
Cost of equipment and software licenses	0.85%	0.77%	1.94%	2.55%	3.44%	5.03%	5.50%	4.26%	1.14%	1.47%	1.88%	2.04%
Other costs	5.44%	5.61%	5.85%	5.68%	5.74%	5.92%	6.06%	6.31%	6.34%	6.09%	6.28%	6.02%
SG&A costs												
Employee costs	13.22%	12.99%	12.83%	12.27%	12.19%	11.50%	11.83%	11.74%	11.85%	11.72%	12.52%	12.08%
Fees to External Consultants	0.33%	0.36%	0.41%	0.29%	0.23%	0.28%	0.25%	0.26%	0.28%	0.25%	0.28%	0.31%
Travel	0.51%	0.30%	0.33%	0.39%	0.36%	0.32%	0.28%	0.41%	0.36%	0.31%	0.41%	0.39%
Other costs	2.30%	2.18%	2.20%	2.20%	2.41%	2.03%	1.98%	2.17%	2.18%	2.12%	2.43%	2.66%

Source: I-Sec research, Company data

Exhibit 4: Deal TCV stood at USD12bn (29% QoQ, -1.6% YoY), above average deal TCV run-rate of USD 10bn, supported by 3 mega deal wins.



Source: I-Sec research, Company data

Exhibit 5: Retail deal TCV up 100% QoQ/65%YoY – led by two mega deal wins

Deal TCV (USD mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Total Deal TCV	10200	11200	8100	13200	8300	8600	10200	12200	9400	10000	9300	12000
QoQ	2%	10%	-28%	63%	-37%	4%	19%	20%	-23%	6%	-7%	29%
YoY	24%	38%	4%	32%	-19%	-23%	26%	-8%	13%	16%	-9%	-2%
BFSI	3000	3000	2600	4100	2700	2900	3200	4000	2500	3200	3800	3900
QoQ	0%	0%	-13%	58%	-34%	7%	10%	25%	-38%	28%	19%	3%
YoY	15%	30%	4%	37%	-10%	-3%	23%	-2%	-7%	10%	19%	-3%
Retail	1200	1440	1500	1600	1100	1200	1300	1700	1600	1800	1400	2800
QoQ	-8%	20%	4%	7%	-31%	9%	8%	31%	-6%	13%	-22%	100%
YoY	20%	-10%	25%	23%	-8%	-17%	-13%	6%	45%	50%	8%	65%
North America	5200	4500	4200	5700	4600	4200	5900	6800	4400	4300	4900	5400
QoQ	4%	-13%	-7%	36%	-19%	-9%	40%	15%	-35%	-2%	14%	10%
YoY	16%	5%	0%	14%	-12%	-7%	40%	19%	-4%	2%	-17%	-21%

Source: I-Sec research, Company data

Exhibit 6: Growth was led by North America in YoY CC terms

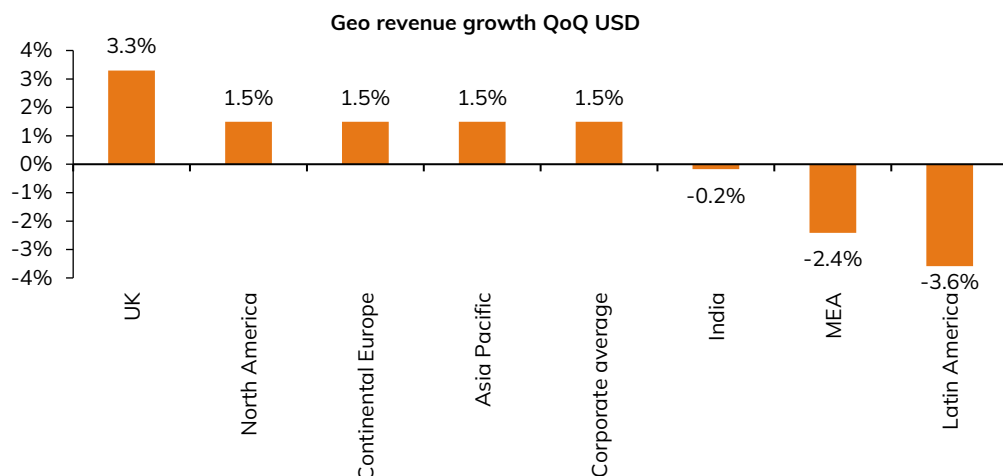
YoY CC Revenue Growth	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
North America	4.6%	0.1%	-3.0%	-2.3%	-1.1%	-2.1%	-2.3%	-1.9%	-2.7%	-0.1%	1.3%	2.5%
Latin America	13.5%	13.1%	13.2%	9.8%	6.3%	6.8%	7.0%	4.3%	3.5%	1.8%	1.4%	-2.9%
UK	16.1%	10.7%	8.1%	6.2%	6.0%	4.6%	4.1%	1.2%	-1.3%	-1.9%	-3.2%	-1.2%
Continental Europe	3.4%	1.3%	0.5%	-2.0%	0.9%	1.8%	-1.5%	1.4%	-3.1%	-3.0%	1.4%	1.0%
India	14.0%	3.9%	23.4%	37.9%	61.8%	95.2%	70.2%	33.0%	-21.7%	-33.0%	-34.3%	-23.0%
Asia Pacific	4.7%	4.1%	3.9%	5.2%	7.6%	7.5%	5.8%	6.4%	3.6%	2.0%	3.5%	0.4%
MEA	15.2%	15.9%	16.0%	10.7%	8.5%	7.9%	15.0%	13.2%	9.4%	12.7%	8.3%	7.8%
Total	7.0%	2.8%	1.7%	2.2%	4.4%	5.5%	4.5%	2.5%	-3.1%	-3.3%	-2.6%	-0.6%

Source: I-Sec research, Company data

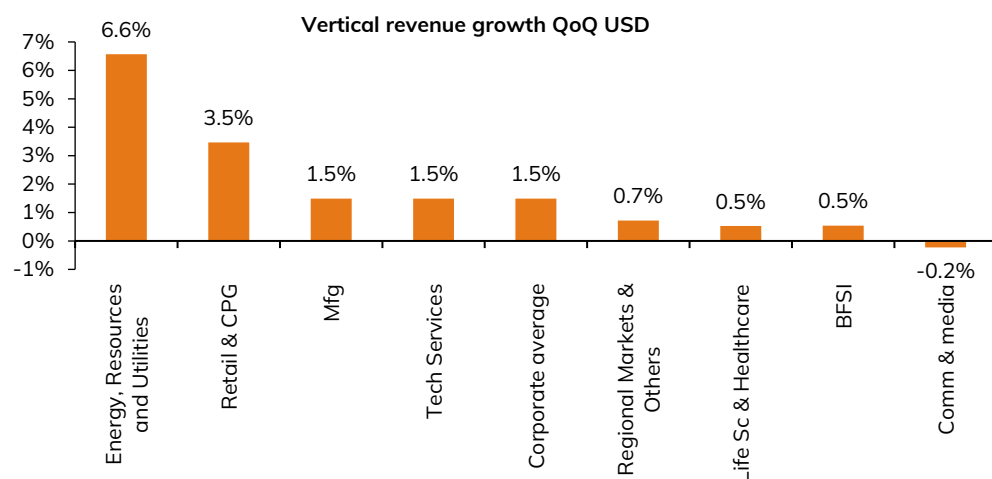
Exhibit 7: Healthy growth across verticals – Technology Services, Healthcare, Manufacturing on YoY CC basis

YoY CC Revenue growth	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
BFSI	3.0%	-0.5%	-3.0%	-3.2%	-0.9%	0.1%	0.9%	2.5%	1.0%	1.0%	1.6%	0.4%
Retail & CPG	5.3%	1.0%	-0.3%	-0.3%	-0.3%	0.1%	1.1%	-0.2%	-3.1%	-2.9%	-2.7%	0.8%
Communication & Media	0.5%	-2.1%	-4.9%	-5.5%	-7.4%	-10.3%	-10.6%	-9.8%	-9.6%	-5.1%	-1.6%	-2.1%
Manufacturing	9.4%	5.8%	7.0%	9.7%	9.4%	5.3%	0.4%	-2.9%	-4.0%	-1.1%	1.7%	3.1%
Life Science & Healthcare	10.1%	5.0%	3.1%	1.7%	4.0%	0.1%	-4.3%	-5.6%	-9.6%	-2.2%	2.2%	3.3%
Technology & Services	4.4%	-2.2%	-5.0%	-5.6%	-3.9%	-1.9%	-0.4%	1.1%	1.8%	2.8%	1.7%	2.5%
Regional Markets & Others	16.9%	14.3%	19.2%	26.0%	37.7%	50.4%	40.9%	22.5%	-8.6%	-18.1%	-19.4%	-12.8%
Total	7.0%	2.8%	1.7%	2.2%	4.4%	5.5%	4.5%	2.5%	-3.1%	-3.3%	-2.6%	-0.6%

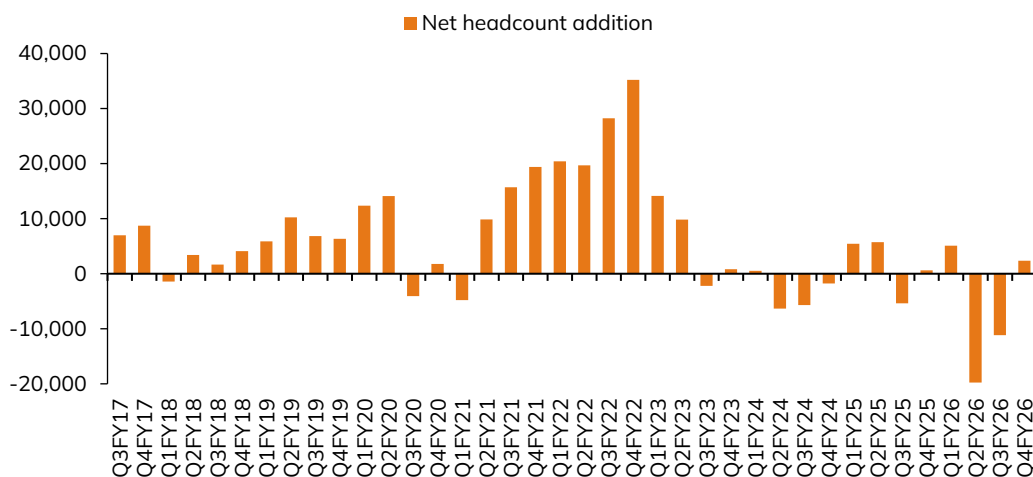
Source: Company data, I-Sec research

Exhibit 8: QoQ revenue growth led by core developed markets

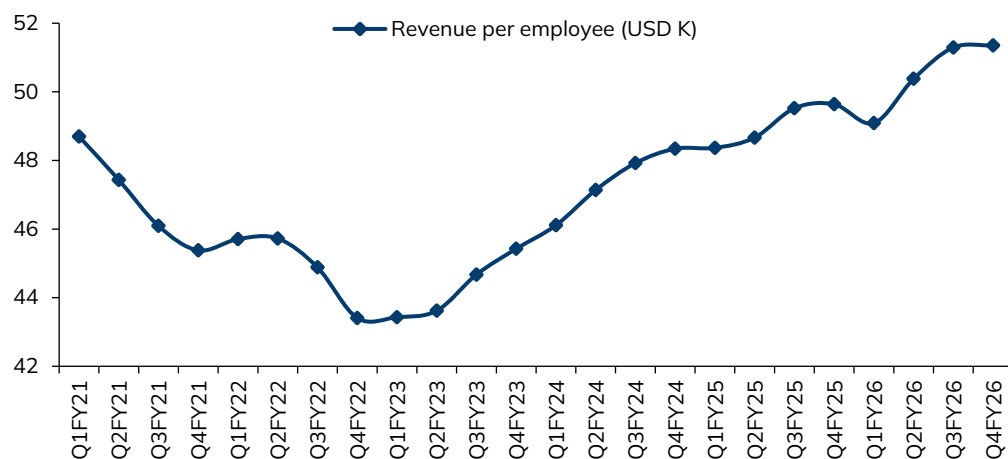
Source: Company data, I-Sec research

Exhibit 9: QoQ revenue growth led by Retail & CPG and Energy and Utilities

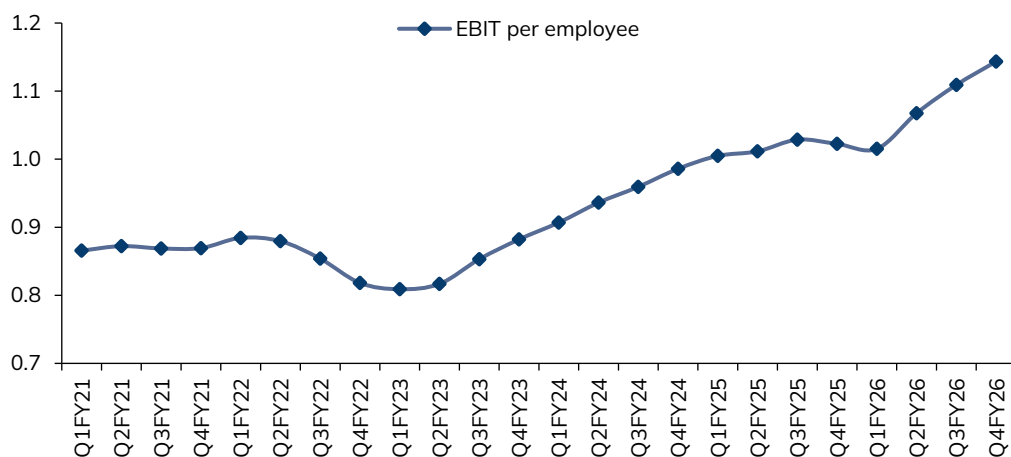
Source: Company data, I-Sec research

Exhibit 10: Net headcount addition in Q4 stood at 2,356 employees. Headcount is up +0.4% QoQ and -3.9% YoY.

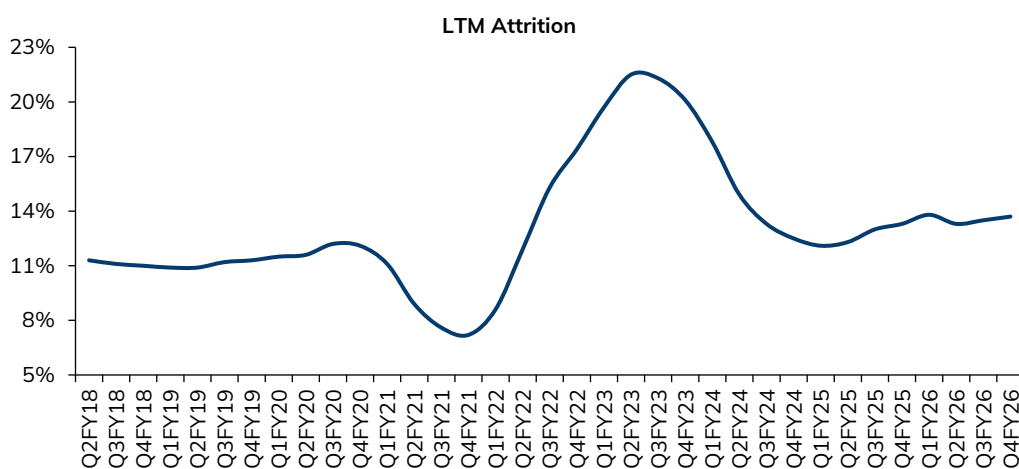
Source: Company data, I-Sec research

Exhibit 11: Revenue per employee growing steadily

Source: I-Sec research, Company data

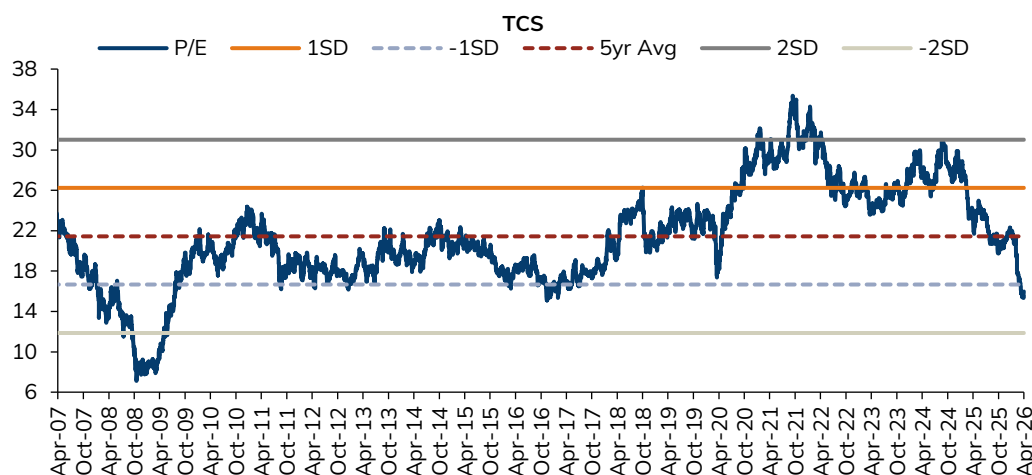
Exhibit 12: EBIT per employee (INR mn) growing at a steady pace

Source: I-Sec research, Company data

Exhibit 13: TCS attrition is stable QoQ

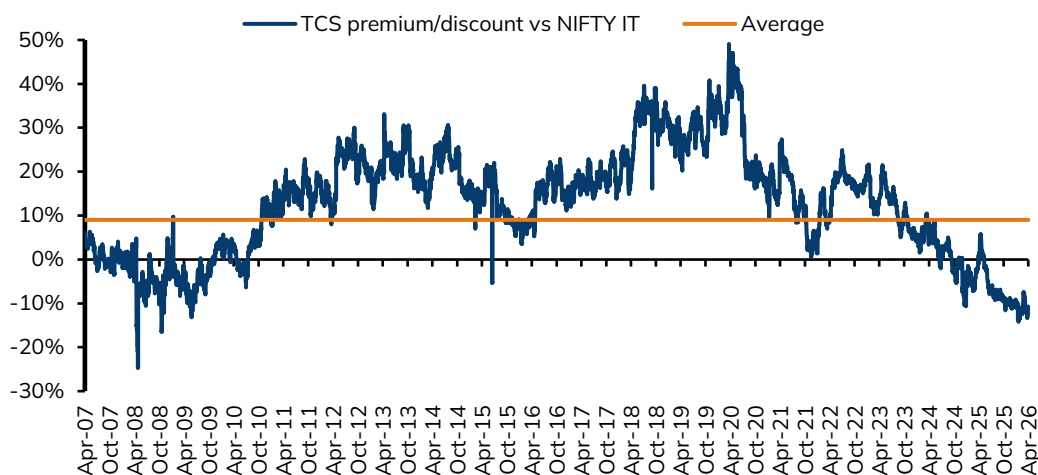
Source: I-Sec research, Company data

Exhibit 14: TCS is trading at 17x (one year forward P/E), near its average-1SD of 16.7x



Source: Company data, I-Sec research

Exhibit 15: TCS is trading at 11% discount to NIFTY IT vs. its 5-year average premium of 9%



Source: Company data, I-Sec research

Exhibit 16: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	71.8	71.8	71.8
Institutional investors	22.8	23.0	23.3
MFs and others	5.1	6.4	5.5
FIs/Banks	0.1	0.0	0.1
Insurance	6.0	6.2	7.3
FIIIs	11.5	10.4	10.4
Others	5.4	5.2	5.0

Source: Bloomberg, I-Sec research

Exhibit 17: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 18: Profit & Loss

(Rs mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales (USD mn)	30,179	30,017	31,333	32,941
Net Sales (INR mn)	25,53,240	26,70,210	28,70,848	30,30,536
Operating Expense	19,31,590	20,01,830	21,54,515	22,71,335
EBITDA	6,74,070	7,23,980	7,73,750	8,19,812
EBITDA Margin (%)	26.4	27.1	27.0	27.1
Depreciation & Amortization	52,420	55,600	57,417	60,611
EBIT	6,21,650	6,68,380	7,16,333	7,59,201
Interest expenditure	-	-	-	-
Other Non-operating Income	31,660	35,170	33,198	43,524
Recurring PBT	6,53,310	7,03,550	7,49,531	8,02,725
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	1,65,340	1,60,330	1,91,130	2,04,695
PAT	4,87,970	5,43,220	5,58,401	5,98,030
Less: Minority Interest	(2,440)	(2,440)	(2,640)	(2,640)
Net Income (Reported)	4,87,970	5,43,171	5,58,401	5,98,030
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	4,85,530	5,40,731	5,55,761	5,95,390

Source Company data, I-Sec research

Exhibit 19: Balance sheet

(Rs mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	12,30,110	13,57,050	14,52,608	15,38,768
of which cash & cash eqv.	83,420	64,170	1,35,879	2,22,135
Total Current Liabilities & Provisions	5,30,010	6,09,140	6,06,117	6,22,801
Net Current Assets	7,00,100	7,47,910	8,46,491	9,15,967
Investments	2,750	2,180	2,180	2,180
Net Fixed Assets	1,29,320	1,41,800	1,45,800	1,49,800
ROU Assets	92,750	1,10,270	1,10,270	1,10,270
Capital Work-in-Progress	-	-	-	-
Goodwill	40,240	1,12,820	1,12,820	1,12,820
Other assets	1,12,980	1,19,200	1,19,200	1,19,200
Deferred Tax assests	-	-	-	-
Total Assets	10,87,540	12,35,940	13,38,521	14,11,997
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	9,800	12,050	12,050	12,050
provisions	-	-	-	-
other Liabilities	20,390	23,220	23,220	23,220
Minority Interest	10,150	12,380	15,020	17,660
Equity Share Capital	3,620	3,620	3,620	3,620
Reserves & Surplus*	9,65,200	10,90,140	11,90,081	12,60,917
Total Net Worth	9,68,820	10,93,760	11,93,701	12,64,537
Total Liabilities	10,87,540	12,35,940	13,38,521	14,11,997

Source Company data, I-Sec research

Exhibit 20: Quarterly trend

(INR mn, year ending March)

	Jul-25	Sep-25	Dec-25	Mar-26
Net Sales	6,34,370	6,57,990	6,70,870	7,06,980
% growth (YOY)	1.3%	2.4%	4.9%	9.6%
EBITDA	1,68,750	1,79,780	1,82,690	1,92,760
Margin %	26.6	27.3	27.2	27.3
Other Income	14,650	6,380	9,220	4,920
Extraordinaries	-	-	-	-
Adjusted Net Profit	1,27,600	1,20,750	1,06,570	1,37,180

Source Company data, I-Sec research

Exhibit 21: Cashflow statement

(Rs mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
CFO before WC changes	6,71,630	6,72,860	7,71,110	8,17,172
CFO after WC changes	6,70,120	6,90,220	7,53,452	7,78,036
Tax Paid	(1,55,860)	(1,43,840)	(1,91,130)	(2,04,695)
Cashflow from operations	5,14,260	5,46,380	5,62,321	5,73,341
Capital Commitments	39,800	1,17,000	61,417	64,611
Free Cashflow	4,74,460	4,29,380	5,00,904	5,08,730
Other investing cashflow	(16,960)	(45,900)	33,198	93,524
Cashflow from Investing Activities	(56,760)	(1,62,900)	(28,219)	28,914
Dividend and Buyback	(4,48,640)	(3,94,370)	(4,55,820)	(5,24,554)
Inc (Dec) in Borrowings	(16,640)	(18,610)	(9,214)	5,916
Others	1,040	10,250	2,640	2,640
Cash flow from Financing Activities	(4,65,980)	(4,12,320)	(4,62,393)	(5,15,999)
Chg. in Cash & Bank balance	(6,740)	(19,250)	71,709	86,256
Closing cash & balance	83,420	64,170	1,35,879	2,22,135

Source Company data, I-Sec research

Exhibit 22: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	134.2	136.0	153.6	164.6
Diluted EPS	134.2	136.0	153.6	164.6
Cash EPS	148.7	164.8	169.5	181.3
Dividend per share (DPS)	126.0	110.0	126.0	145.0
Book Value per share (BV)	267.8	302.3	330.0	349.5
Dividend Payout (%)	93.9	80.9	82.0	88.1
Growth (%)				
Net Sales	6.0	4.6	7.5	5.6
EBITDA	4.9	7.4	6.9	6.0
EPS	6.9	1.3	13.0	7.1
Valuation Ratios (x)				
P/E	19.3	19.0	16.9	15.7
P/CEPS	17.4	15.7	15.3	14.3
P/BV	9.7	8.6	7.8	7.4
EV / EBITDA	13.8	12.9	11.9	11.2
P/S	3.7	3.5	3.3	3.1
Dividend Yield (%)	4.9	4.2	4.9	5.6
Operating Ratios				
EBITDA Margins (%)	26.4	27.1	27.0	27.1
EBIT Margins (%)	24.3	25.0	25.0	25.1
Effective Tax Rate (%)	25.3	22.8	25.5	25.5
Net Profit Margins (%)	19.1	20.3	19.5	19.7
Inventory Turnover Days	-	-	-	-
Fixed Asset Turnover (x)	21.1	19.7	20.0	20.5
Receivables Days	68	74	74	73
Payables Days	17	20	19	19
Working Capital Days	85	89	89	85
Net Debt / EBITDA (x)	(1.6)	(1.2)	(2.4)	(3.7)
Profitability Ratios				
RoCE (%)	48.5	49.5	46.1	45.4
RoIC (%)	58.4	54.9	55.0	59.0
RoNW (%)	50.8	51.9	48.0	47.8

Source Company data, I-Sec research

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, E-mail Address : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Jeetu Jawrani](#) Email address: headsservicequality@icicidirect.com Contact Number: 18601231122
