

28 September 2025

India | Equity Research | Quarterly results preview

Technology

Q2FY26 Large Cap IT preview: Business as usual

Q2FY26 appears to be a *status quo* quarter for tier-1 IT services companies with no surprises or shocks, even as the overhang from direct tariff apprehensions and USD 100k fee imposition on H-1B visas dragged NIFTY IT by ~8%. NIFTY IT now trades at a 10% premium to NIFTY vs. its 5-year average premium of 17%. We expect the tier-1 companies to report revenue growth in the range of 0.5–1.5% QoQ CC, with HCLT likely leading the pack. For TCS and WPRO, this has been an uneventful quarter. For INFY, we expect 20bps contribution from inorganic streams in our 1.2% QoQ CC estimates. We estimate EBIT margins, for our coverage, to remain largely unchanged QoQ on an average. However, INFY may see some tailwinds from completed wage hikes, project Maximus and INR depreciation. Key monitorables: 1) Change in guidance by INFY/HCLT. 2) H1-B visa cost impact. 3) Wage hike update (WPRO). 4) GCCs taking away market share.

The demand environment has neither improved nor deteriorated since Q1FY26, as discretionary spends remain low. Q2FY26 has likely benefitted from tailwinds, mainly: 1) marginal cross currency and an INR depreciation fillip to margins; 2) stable pricing; 3) opportunities from agentic AI; and 4) momentum in BFSI, hi-tech. Even so, the sector was not devoid of notable tailwinds, mainly: 1) uncertain macros; 2) protracted decision making cycles; 3) GCCs taking away market share.

Decision-making delays persist as the demand environment remains uncertain. Discretionary spending is impacted, but is relatively better for BFSI/hi-tech. Within verticals, BFSI continues to see traction with pockets of strength. Manufacturing, retail and automotive verticals may see tariff-related impact. Technology vertical is seeing some green shoots driven by AI-fication. Clients are exercising caution in the healthcare and life-sciences vertical. Companies have been indicating that revenue deflation from AI shall be compensated by higher volume of work. Most companies are hiring locally in the US to mitigate any future H-1B levy impact.

TCS: We factor in QoQ cc and USD growth of 1.2% in Q2FY26 given Q1's weak base and the absence of the BSNL ramp-down headwind. We do not factor in revenue from the add-on BSNL deal, pending specific PO. We expect TCS' EBIT margin at 24.6%, up 10bps QoQ, factoring in a one-month impact of wage revision and lower utilisation, partly offset by INR depreciation-led margin tailwinds and savings from 2% workforce optimisation (announced Jul'25 end). TCS announced wage hikes in the range of 4.5–7% for 80% of its workforce effective 1 Sep'25, with top performers receiving double-digit hikes.

While the Sep'25 quarter should see a one-time charge for the severance, our PAT estimate of INR 126bn does not include this one-time charge. We expect the TCV to be in the range of USD 7–9bn for Q2 supported by the EUR 550mn Tryg deal.

INFY: We build in QoQ USD/CC revenue growth of 1.4%/1.2% in Q2FY26 vs. 4.5% USD growth in Q1. We build in 20bps QoQ incremental revenue contribution from Missing Link and MRE. Q2 is a seasonally strong quarter for INFY. We factor in a stronger H1FY26 vs. H2FY26. We expect the BFSI vertical to remain resilient while manufacturing and retail continue to be impacted. At 21.3%, we build in 48bps QoQ EBIT margin expansion led by a lack of wage hike, project maximus benefits and INR depreciation. INFY has signed several key deals in BFSI vertical within banking, payments and insurance segments, including a deal from its long-term client Mastercard. At the top end of 1–3% YoY CC growth guidance for FY26, INFY needs 0.8% CQGR in a seasonally soft H2FY26 vs. -0.6% reported for H2FY25.

Ruchi Mukhija

ruchi.mukhija@icicisecurities.com

+91 22 6807 7573

Seema Nayak

seema.nayak@icicisecurities.com

Aditi Patil

aditi.patil@icicisecurities.com

HCLT: We expect 1.5% QoQ USD/1.4% CC growth supported by ramp-up of recently won deals. BFSI and hi-tech will likely do better while manufacturing, retail and life-sciences are expected to be subdued. HCLT has bagged several deals in hi-tech vertical (**Exhibit: 5**). Drag on manufacturing would stem from weakness in automotive.

We expect HCLT's EBIT margin to expand ~20bps QoQ to 16.5%, given the fillip from INR depreciation, partially offset by continuing restructuring costs. We expect TCV at ~USD 2bn range. We expect the company to maintain its FY26 revenue growth target at 3–5% CC and EBIT margin guidance at 17–18%.

WPRO: We expect Q2FY26 growth at 0.3% USD, in line with the mid-point of the company's guided range of -1% to 1% CC. Wipro will likely see growth momentum building up in H2FY26, supported by: 1) Ramp-up of the Phoenix deal – expected in Q3FY26; and 2) revenue from WPRO's key acquisition of DTS unit of Harman potentially coming through in Q4, with 50% of the revenue in telco and hi-tech, and 50% in ER&D. Some ramp-up is expected in this quarter in technology and communication vertical from deals in Q1FY26, driven by AI.

Healthcare vertical growth shall be on similar lines to Q1FY26. Capco is expected to continue its momentum from previous quarters, supporting Europe geography's growth. We expect TCV in the range of ~USD1bn. EBIT margin may decline 30bps, as large deal ramp-up cost offset INR depreciation-led tailwinds. We shall monitor the timeline of wage revisions as a key indicator of Wipro's ability to sustain margins.

Exhibit 1: Q2FY26 currency movement – INR depreciation at 3.2% QoQ

Exchange rate	Sep'24	Jun'25	Sep'25	QoQ %	YoY %
USD/INR					
Average	83.8	85.2	87.9	3.2%	4.9%
Close	83.7	85.5	88.3	3.2%	5.5%
Euro/USD					
Average	1.10	1.15	1.16	1.2%	5.6%
Close	1.11	1.17	1.18	0.2%	5.6%
GBP/USD					
Average	1.31	1.35	1.34	-0.7%	2.3%
Close	1.33	1.37	1.35	-1.7%	1.2%

Source: I-Sec research, Company data, RBI

Exhibit 2: Q2FY26 preview summary for IT services

	TCS	INFY	HCLT	WIPRO
Reporting date	09-Oct	16-Oct	13-Oct	NA
QoQ CC	1.2%	1.2%	1.4%	0.2%
Revenue USD mn	7,510	5,009	3,599	2,596
QoQ USD	1.2%	1.4%	1.5%	0.3%
YoY USD	-2.1%	2.4%	4.9%	-2.4%
EBIT margin	24.6%	21.3%	16.5%	15.8%
QoQ bps	10	50	23	-30
YoY bps	50	20	-206	-104
EPS (INR/share)	34.7	17.1	14.3	2.9

Source: I-Sec research, Company data

Exhibit 3: YoY revenue growth

Revenue YoY CC	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
TCS	7.1%	-0.8%	15.4%	13.7%	3.4%	4.2%	-1.9%	5.1%	6.1%
Infosys	9.8%	5.0%	20.1%	15.4%	1.4%	4.2%	2.7%	3.6%	5.8%
Wipro	3.9%	-2.3%	26.9%	11.5%	-4.4%	-2.3%	-1.2%	5.4%	5.2%
HCL Technologies	16.7%	1.1%	12.7%	13.7%	5.0%	4.7%	3.1%	6.7%	6.5%

Source: I-Sec research, Company data

Exhibit 4: Quarterly preview

Company	Q2FY26	Q1FY26	QoQ gr.	Q2FY25	YoY gr.	Comments
TCS						
QoQ CC	1.2%	-3.3%		1.1%		We build in 1.2% CC/USD QoQ revenue growth led by BFSI and hi-tech and favoured by Q1FY26's weak base, with no cross-currency impact.
USD/INR	87.9	85.5	2.8%	83.8	4.9%	BSNL deal ramp down shall see completion in Q2FY26.
Revenues (USD mn)	7,510	7,421	1.2%	7,670	-2.1%	TCS announced several key deals during the quarter; we expect deal TCV to be in its usual range of USD 7–9bn
Revenues (INR mn)	6,60,094	6,34,370	4.1%	6,42,590	2.7%	
EBIT (INR mn)	1,62,185	1,55,140	4.5%	1,54,650	4.9%	We expect EBIT margin to expand by 10bps QoQ led by INR depreciation and benefit from ramp-down of the low-margin BSNL deal.
EBIT margin (%)	24.6%	24.5%	10 bps	24.1%	50 bps	We await management commentary on: 1) any uptick in pace of client decision-making, especially in consumer/manufacturing/auto sectors in the wake of US tariffs; 2) pace of ramp-up in existing deals and new deal closures; 3) GenAI-led automation impact on volume of work, pricing and hiring; 4) growth guidance in international markets in FY26; 5) puts and takes for margins on backdrop of slowing growth in international markets; 6) outlook for BFSI vertical in the wake of Fed's rate cuts; 7) update on BSNL PO and ramp-up in Q3FY26. 8) impact from H-1B visa cost hike (TCS has the highest H-1B visa exposure among large caps - per USCIS data); 9) any implications from JLR cyber-attack incident.
Adjusted net profit (INR mn)	1,25,567	1,27,600	-1.6%	1,19,090	5.4%	Severance pay cost will likely be factored in into extraordinary items below EBIT by the company. Not included in our estimates.
EPS (INR/share)	34.7	35.3	-1.6%	32.9	5.4%	
INFY						
Revenue growth QoQ CC	1.2%	2.6%		3.1%		We build in 1.4% USD/1.2% CC QoQ revenue growth led by steady ramp-up of deals won in previous quarters and 1-month incremental contribution from acquisitions (The Missing Link - cybersecurity firm with revenue USD 120mn and MRE consulting – USD 63.5mn). Revenue from Versent Group (communication vertical) will come in H2FY26. Demand is resilient in BFSI, industrial and manufacturing (ex-auto). Retail, communication, auto and hi-tech are expected to be soft.
USD/INR	87.9	85.6	2.7%	83.8	5.0%	
Revenues (USD mn)	5,009	4,941	1.4%	4,894	2.4%	New deal closures are delayed, as clients still need clarity on how their supply chains and cost structure could be affected due to the recent tariff announcements.
Revenues (INR mn)	4,40,327	4,22,790	4.1%	4,09,860	7.4%	
EBIT (INR mn)	93,790	88,030	6.5%	86,490	8.4%	
EBIT margin (%)	21.3%	20.8%	50 bps	21.1%	20 bps	We expect EBIT margin to expand by ~50bps on tailwinds from absence of wage hikes, INR depreciation and benefits from project Maximus.
Adjusted net profit (INR mn)	71,101	69,210	2.7%	65,060	9.3%	We await management commentary on: 1) any change in FY26 guidance; 2) any improvement in pace of deal closures; 3) pricing pressure and impact on volumes due to GenAI-led automation; 4) pace of ramp-up of existing deals and how the deal pipeline is shaping up; 5) market share in vendor consolidation deals; 6) puts and takes for FY26 margins.
EPS (INR/share)	17.1	16.7	2.7%	15.7	9.3%	
HCLT						
Revenue growth QoQ CC	1.4%	-0.8%		1.6%		
Revenues (USD mn)	3,599.0	3,545.0	1.5%	3,445.0	4.5%	We build muted revenue growth of +1.5% USD/1.4% CC QoQ led by traction in BFSI and hi-tech.
USD/INR	87.9	85.6	2.7%	84	4.9%	
Revenues (INR mn)	3,16,355	3,03,490	4.2%	2,88,620	9.6%	Demand environment remains unchanged led by cost take out and vendor consolidation deals. Discretionary spends continue to be muted. HCLT has won several deals in the hi-tech vertical. Expect TCV to be near the ~USD 2bn mark.

Company	Q2FY26	Q1FY26	QoQ gr.	Q2FY25	YoY gr.	Comments
EBIT (INR mn)	52,257	49,420	5.7%	53,620	-2.5%	
EBIT margin (%)	16.5%	16.3%	23 bps	18.6%	-206 bps	
Adjusted net profit (INR mn)	38,735	38,430	0.8%	42,350	-8.5%	We expect marginal EBIT margin expansion of ~20bps. We await management commentary on: 1) any change in FY26 guidance; 2) any improvement in clients' decision-making cycle; 3) impact on pricing or volume of work due to GenAI; 4) fillip to products and platform business from AI being embedded into them; 5) pace of recovery in enterprise discretionary spending; 6) deal pipeline.
EPS (INR/share)	14.3	14.2	0.8%	15.6	-8.5%	
Wipro						
IT Services revenue QoQ CC	0.2%	-2.0%		0.6%		
USD/INR	87.9	85.5	2.7%	83.8	4.8%	We expect 0.2% QoQ CC revenue growth at mid-point of -1% to +1% guidance, based on a few large deals ramping up since Q1. The Phoenix deal is expected to ramp up from Q3FY26.
IT Services revenue (USD mn)	2,596	2,587	0.3%	2,660	-2.4%	
Consolidated Revenue (USD mn)	2,606	2,582	1.0%	2,663	-2.1%	Discretionary demand has not yet picked up and clients are still waiting for tariffs-led uncertainties to subside. Deal pipeline is healthy in BFSI, healthcare and technology verticals.
Revenues (INR mn)	2,29,099	2,21,346	3.5%	2,23,016	2.7%	
EBIT (INR mn)	36,198	35,542	1.8%	37,545	-3.6%	We expect EBIT margin to decline by 26bps QoQ, largely caused by slow growth.
EBIT margin (%)	15.8%	16.1%	-30 bps	16.8%	-104 bps	We await management commentary on: 1) Demand in Capco consulting; 2) any improvement in client decision making; 3) DTS unit – HARMAN acquisition ramp-up and impact; 4) competition in vendor consolidation deals; 5) Q3FY26 guidance; any signs of improvement in QoQ revenue run-rate; 6) pace of conversion of pipeline to TCV and TCV to revenue.
Adjusted net profit (INR mn)	30,480	33,304	-8.5%	32,088	-5.0%	
EPS (INR/share)	2.9	3.2	-8.4%	3.1	-5.0%	

Source: I-Sec research, Company data

Exhibit 5: Key deal wins and partnerships

Date	IT company	Client name/ Partner name/ Acquired entity	Industry	Geography	Engagement details (tenure and value)
19 Sep'25	TCS	NVIDIA	Technology	US	TCS bolsters its innovative AI platforms and solutions with NVIDIA-accelerated computing to help retailers drive operational efficiencies, innovation, and growth.
18 Sep'25	TCS	Vodafone Idea	Communication and Media	India	Vodafone Idea-TCS deepen collaboration with AI-powered customer experience platform. The five-year engagement will help VI unlock new capabilities in customer experience by deploying a next-gen platform focused on intelligence, automation, personalisation and accelerated launch of new product and services.
17 Sep'25	TCS	Qualcomm	Technology	India	TCS and Qualcomm will co-create smart, scalable, and sustainable Edge AI capabilities utilising Qualcomm® platforms for industries moving towards a software-driven approach to make their systems more efficient and resilient in the lab. A new co-innovation lab in Bengaluru will pioneer Software Defined Everything (SDx) and Edge AI Capabilities to charge digital transformation journeys of global enterprises.
16 Sep'25	TCS	ARN Media	Communication and Media	Australia	TCS has announced a multi-year partnership with ARN Media, one of Australia's leading audio-led entertainment companies, to transform its technology and business operations, based on TCS' deep domain expertise in the media and entertainment industry.
15 Sep'25	TCS	The Warehouse Group	Retail	New Zealand	TCS will focus on radically simplifying the Group's managed services and support workforce development with digital and AI upskilling. As part of the agreement TCS will undertake initiatives to support TWG workforce development focused on digital and AI upskilling.

Date	IT company	Client name/ Partner name/ Acquired entity	Industry	Geography	Engagement details (tenure and value)
12 Sep'25	TCS	C-DAC	Technology	India	The collaboration with C-DAC will focus on research to develop indigenous technologies that strengthen India's sovereign cloud foundation.
11 Sep'25	TCS		Technology	India	TCS Unveils Chiplet-Based System Engineering Services to Accelerate Semiconductor Innovation.
9 Sep'25	TCS	CEA	Technology	France	The partnership aims to develop intelligent robotics solutions for real-world applications across various industrial sectors and strengthen Indo-European industrial competitiveness.
5 Sep'25	TCS	Govt. of Odisha	Government	India	TCS Selected by the Government of Odisha to Build Next-Gen, AI-enabled Integrated Financial Management System TCS will also deploy its AI Workbench (AIWB), a digital solution designed to transform the way IFMS users and management interact with financial data and processes. This collaboration progressed through the implementation of IFMS, followed by IFMS 2.0, culminating in the launch of IFMS 3.0 – the third generation of the solution.
3 Sep'25	TCS	IIT Kanpur	Government	India	TCS and IIT Kanpur's AIRAWAT Research Foundation will collaborate to build cities that are resilient, equitable, and ecologically balanced. TCS will harness AI and remote sensing technology to deliver real-world impact.
2 Sep'25	TCS	Tryg	Insurance	Denmark	TCS partners with Tryg on a €550M Deal to Propel Growth with Comprehensive Digital Transformation Over the Next 7 Years
28 Aug'25	TCS	Unilab	Healthcare	Philippines	Through this partnership, TCS will help Unilab transition from its legacy enterprise resource planning (ERP) system to a modern, cloud-based digital core.
25 Aug'25	TCS	ICICI Lombard	BFSI	India	ICICI Lombard has achieved a fully automated and seamless AWS multi-region disaster recovery switchover leveraging cloud native automation solution enabled by TCS. This establishes ICICI Lombard as one of the first insurance companies in India to achieve fully automated multi-region resilience on the AWS Cloud.
20 Aug'25	TCS	Kesko	Retail	Finland	TCS will deliver SAP S4 Transformation, digital development, application managed services and intelligent automation to help the Finnish retail group scale operations, launch next gen digital services and drive growth.
5 Aug'25	TCS	Weatherford International	Energy and Utilities	US	TCS has secured a five-year renewal and expansion of its contract with Weatherford International, a multinational oilfield service company headquartered in North America. Under this extended agreement, TCS will leverage its expertise in automation, artificial intelligence, and digital optimization to drive enterprise-wide business transformation initiatives for Weatherford.
11 Sep'25	INFY	Hanes	Retail	US	Ten-year alliance leverages INFY AI-first platforms to drive innovation, efficiency and agility across HanesBrands' IT landscape.
9 Sep'25	INFY	Bank CTBC	BFSI	Indonesia	Infosys Finacle announced the successful deployment of Finacle Digital Banking Solution Suite on a cloud-hosted model, as part of the bank's digital transformation initiatives. With this deployment, the bank can now scale effortlessly to meet growing business demands and deliver innovations faster, ensuring shorter time-to-market for new products and services.
2 Sep'25	INFY	Glion Arena Kobe	Communication	Japan	As part of this collaboration, INFY will be the Official Digital Innovation and GX (Green Transformation) partner of Glion Arena Kobe. This strategic engagement with Japan's first entertainment arena is set to revolutionize live entertainment and sports through advanced digital innovation and sustainable practices.
28 Aug'25	INFY	Mastercard	BFSI	US	Strategic collaboration will streamline onboarding for financial institutions and strengthen access to Mastercard Move, Mastercard's portfolio of money movement capabilities.
11 Aug'25	INFY	ABN AMRO	BFSI	Europe	This project strategically sought to transform ABN AMRO's loan origination and collateral management process by consolidating multiple legacy systems into a single, unified platform, enhancing ABN AMRO's ability to serve its customers and streamline operations.
28 Jul'25	INFY	RWE AG	Energy and Utilities	Europe	The collaboration will implement solutions that automate processes and provide self-service options to support RWE's journey towards operational excellence. Leveraging Infosys Workplace Suite, an amalgamation of tools and accelerators that help enterprises drive adoption of Digital Workplace Services, the collaboration will implement solutions that automate processes and enable self-service options, supporting RWE's ongoing efforts to drive operational excellence.

Date	IT company	Client name/ Partner name/ Acquired entity	Industry	Geography	Engagement details (tenure and value)
22 Jul'25	INFY	AGCO	Manufacturing	Europe	Building on a longstanding relationship to enhance AGCO's operational framework for growth by leveraging Infosys Cobalt and Infosys Topaz.
16 Jul'25	INFY	SAP	Technology	Europe	INFY launched Enterprise Innovation Lab for SAP Solutions in Düsseldorf, Germany. The lab will help accelerate enterprise transformation leveraging SAP's Business AI, data, and cloud solutions, along with Infosys Cobalt and Infosys Topaz.
16 Jul'25	INFY	Melbourne Archdiocese Catholic Schools	Government	Australia	INFY Collaborates with Melbourne Archdiocese Catholic Schools to drive Network-Wide Digital Transformation Empowering one of Australia's largest education networks with SAP S/4HANA to improve efficiency, enhance user experience, and streamline data management.
4 Sep'25	HCLT	SailPoint	Technology	US	SailPoint and HCLT forge partnership to deliver modern identity security at enterprise scale in the age of AI. HCLT named a SailPoint Global Delivery Admiral Partner for deep domain expertise, proven delivery methods, and commitment to governance, compliance and security excellence.
29 Jul'25	HCLT	Pearson Partner	Others	UK	Pearson the world's lifelong learning company, and HCLT, a global technology company, announced a multi-year strategic partnership to accelerate the transformation of learning, skills and workforce readiness in an AI-driven world. The partnership combines Pearson's global expertise and scale in learning and assessment with HCLT's strengths in digital transformation, product engineering, and AI.
21 Jul'25	HCLT	Swiss Network	Technology	Europe	Swiss Network in India Partners with HCLSoftware to Pioneer Advanced GovTech Solutions
10 Jul'25	HCLT	Dunedin City Council	Government	New Zealand	Dunedin City Council selects HCLT to lead a 10-year strategic digital transformation.
09 Jul'25	HCLT	Astemo Cypermoss	Technology	Japan	Astemo Cypermoss partners with HCLT to accelerate autonomous and smart vehicles ecosystem. As part of the multi-year engagement, HCLT will leverage its global leadership in engineering to help Cypermoss transition to a software-defined model using a comprehensive suite of HCLT's proprietary next-gen smart vehicle enablers.
2 Jul'25	HCLT	Equinor	Energy and Utilities	Europe	HCLT and Equinor, Europe's largest energy supplier and a pioneer in renewables and low-carbon solutions, have expanded their IT collaboration to support the next phase of Equinor's digital transformation. This expanded relationship will cover Equinor's IT landscape across several key strategic areas.
30 Jun'25	HCLT	OpenAI	Technology	US	HCLT, announced a multi-year strategic collaboration with OpenAI, a leading AI research and deployment company, to drive large-scale enterprise AI transformation as one of the first strategic services partners to OpenAI. HCLT's deep industry knowledge and AI Engineering expertise lay the foundation for scalable AI innovation with OpenAI. This collaboration will enable HCLT's clients to leverage OpenAI's industry-leading AI products portfolio alongside HCLT's foundational and applied AI offerings for rapid and scaled GenAI deployment.
21 Aug'25	WPRO	DTS	ER&D	US	DTS is a global provider of ER&D and IT services. The acquisition expands Wipro's ER&D service offerings and capabilities by enhancing its AI-powered digital engineering and device engineering—including design-to-manufacturing - across technology, industrial, aerospace, healthcare, and consumer industries. Purchase consideration including earn-outs, totalling up to USD 375mn.

Source: I-Sec research, Company data, Press releases

Exhibit 6: TCS – change in estimates

	New			Old			New vs. old		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenues (USD mn)	30,227	31,765	33,713	30,383	31,976	33,931	-0.5%	-0.7%	-0.6%
Revenue growth YoY CC	-1.9%	5.1%	6.1%	-1.4%	5.2%	6.1%	-50bps	-20bps	0bps
Revenue growth YoY USD	0.2%	5.1%	6.1%	0.7%	5.2%	6.1%	-50bps	-20bps	0bps
USD/INR	87.3	87.0	87.0	85.50	87.00	87.00	2.1%	0.0%	0.0%
INR bn									
Revenues	2,639	2,764	2,933	2,598	2,782	2,952	1.6%	-0.7%	-0.6%
EBIT	648	693	739	651	697	744	-0.3%	-0.7%	-0.6%
EBIT margin	24.6%	25.1%	25.2%	25.0%	25.1%	25.2%	-50bps	0bps	0bps
Diluted EPS (INR/share)	141.4	148.5	157.8	141.9	149.5	158.8	-0.4%	-0.7%	-0.6%

Source: I-Sec research

Exhibit 7: INFY – change in estimates

	Revised			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenues (USD mn)	20,021	20,757	21,969	19,998	20,725	21,936	0.1%	0.2%	0.1%
Revenue growth YoY CC	2.7%	3.6%	5.8%	2.7%	3.6%	5.8%	0bps	0bps	0bps
Revenue growth YoY USD	3.9%	3.7%	5.8%	3.7%	3.6%	5.8%	10bps	0bps	0bps
USD/INR	87.3	87.0	87.0	85.5	87.0	87.0	2.1%	0.0%	0.0%
INR bn									
Revenues	1,748	1,806	1,911	1,710	1,803	1,908	2.2%	0.2%	0.1%
EBIT	368	377	405	358	377	405	2.7%	-0.2%	-0.2%
EBIT margin	21.1%	20.9%	21.2%	21.0%	20.9%	21.2%	10bps	-10bps	-10bps
EPS (INR/share)	68.1	70.0	75.9	66.5	70.0	75.9	2.5%	-0.1%	0.0%

Source: I-Sec research

Exhibit 8: HCLT – change in estimates

	Revised			Old			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenues (USD mn)	14,506	15,481	16,483	14,506	15,481	16,483	0.0%	0.0%	0.0%
Revenue growth YoY CC	3.1%	6.7%	6.5%	3.1%	6.7%	6.5%	0bps	0bps	0bps
Revenue growth YoY USD	4.8%	6.7%	6.5%	4.8%	6.7%	6.5%	0bps	0bps	0bps
USD/INR	87.3	86.0	87.0	87.3	86.0	87.0	0.0%	0.0%	0.0%
INR bn									
Revenues	1,267	1,331	1,434	1,267	1,331	1,434	-	-	-
EBIT	218	247	269	220	247	269	(0.7)	-	-
EBIT margin	17.2%	18.5%	18.7%	17.3%	18.5%	18.7%	-10bps	0bps	0bps
EPS (INR/share)	60.2	67.4	73.5	60.7	67.4	73.5	-0.7%	0.0%	0.0%

Source: I-Sec research

Exhibit 9: WPRO – change in estimates

	Revised			Old			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue IT Services (USD mn)	10,489	11,058	11,635	10,454	10,881	11,435	0.3%	1.6%	1.8%
Revenue growth YoY CC	-1.2%	5.4%	5.2%	-1.4%	4.1%	5.1%	30bps	130bps	10bps
Revenue growth YoY USD	-0.2%	5.4%	5.2%	-0.5%	4.1%	5.1%	30bps	130bps	10bps
USD/INR	87.4	87.0	87.0	85.6	87.0	87.0	2.1%	0.0%	0.0%
INR bn									
Consolidated Revenue	919	966	1,017	897	951	1,000	2.5%	1.6%	1.7%
EBIT	151	164	177	148	161	174	1.7%	1.6%	1.7%
EBIT margin	16.4%	17.0%	17.4%	16.5%	17.0%	17.4%	-10bps	0bps	0bps
EPS (INR/share)	12.4	13.0	14.0	12.2	12.9	13.8	1.5%	1.5%	1.6%

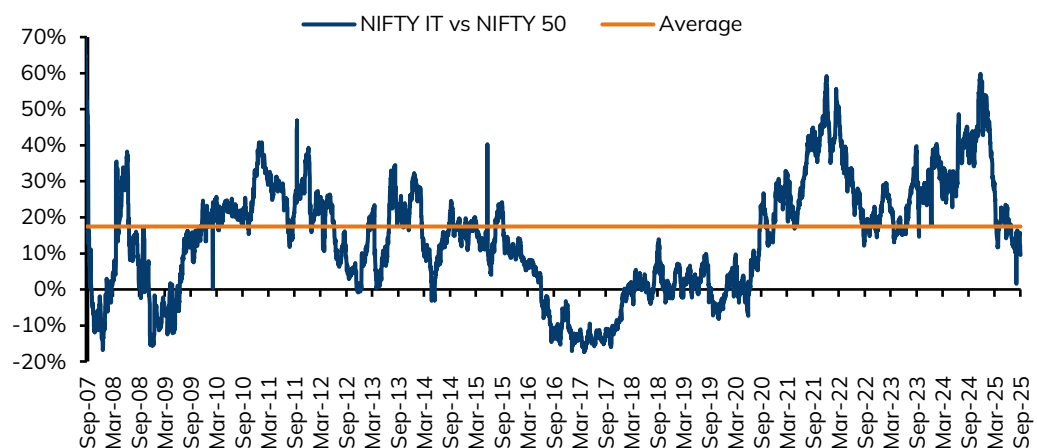
Source: I-Sec research

Exhibit 10: NIFTY IT one-year forward PE – down 8%, post H-1B visa fee announcement



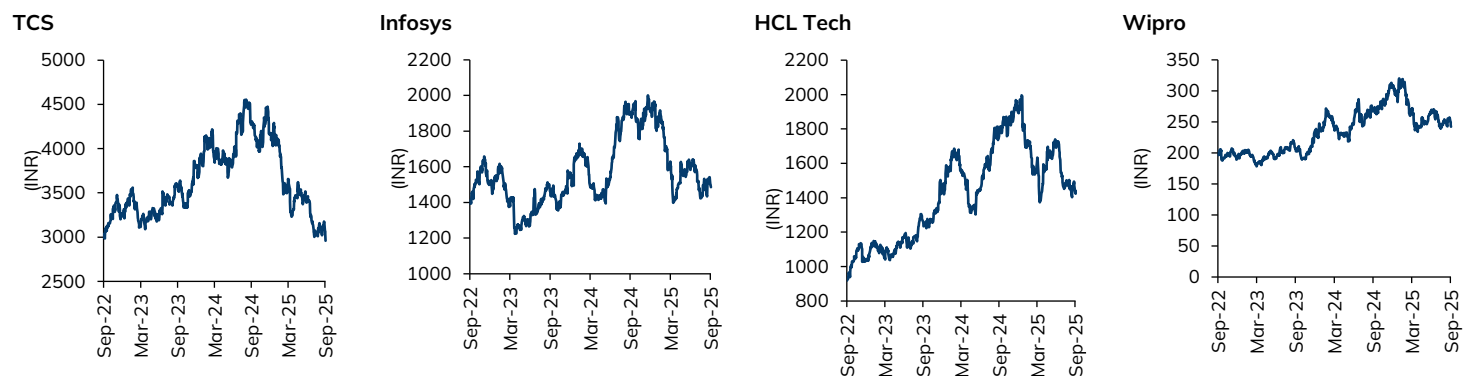
Source: I-Sec research, Bloomberg

Exhibit 11: NIFTY IT – trading at 10% premium to NIFTY vs. 5-year average premium of 17%



Source: I-Sec research, Bloomberg

Price charts



Source: Bloomberg

"In case of industry/sector reports or a report containing multiple stocks, the rating/recommendation for a particular stock may be based on the last released stock specific report for that company."

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

*New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return*

ANALYST CERTIFICATION

I/We, Ruchi Mukhija, CA; Seema Nayak, MBA; Aditi Patil, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is SEBI registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report.

Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

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. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. ([Link](#))

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. Bhavesh Soni](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
