

HSIE Results Daily

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Results Reviews

- Infosys:** Infosys reported a 1.3% QoQ CC revenue decline in Q4, which was slightly lower than estimates due to seasonality and a slowdown in client decision-making in March. The FY27E revenue guidance of 1.5%-3.5% YoY CC was also slightly lower than expectations. The guidance incorporates impact from a client specific ramp-down (large European manufacturing client) and reduction in the on-site delivery mix. The lower end of the revenue guidance assumes a deteriorating macro environment and the upper end is based on a stable to improving demand environment. The overall demand environment remains challenging and evolving, as clients prioritize cost optimization and operational resilience over transformation. AI-led growth is expanding across six strategic areas, including strategy, data, and legacy modernization, with these high-value projects commanding premium pricing. However, AI-led deflation is impacting the existing portfolio as productivity savings are passed back to clients, resulting in core business compression that balances out net-new growth. Despite these headwinds, deal TCV for the full year reached a record USD 14.9bn, +24% YoY growth. Growth drivers include large deal ramp-ups in Financial Services and grid modernization in EURS, while pain points persist in Manufacturing due to geopolitical conflicts and Retail due to muted consumer demand and tightly controlled budgets. The Q4 margin performance saw a slight 0.3% QoQ decline to 20.9% as headwinds from acquisition amortization and compensation were only partially offset by currency gains and Project Maximus efficiencies. We reduce estimates by ~2-3% but maintain BUY with a TP of INR 1,550, based on 18x Mar-28E EPS.
- Tata Capital:** Tata Capital's (TATACAP) Q4FY26 earnings were marginally ahead of our estimates, driven by lower-than-expected credit costs (0.9%), partly offset by lower other income. TATACAP's portfolio (ex TMFL) grew at a strong pace (+28% YoY), driven by SME and corporate portfolio. TMFL portfolio (9.2% of AUM) reported net profit in Q4 with realignment of credit policies and organizational structure, shift in product mix, and increasing share of non-captive business. As highlighted in our initiating coverage report, TATACAP's conservative underwriting strategy augurs well for pristine asset quality. However, TATACAP's guidance of strong AUM growth (~23-25% CAGR) and profitability (~17-18% RoE) remains a key monitorable, particularly amidst global uncertainties. We revise our FY27E/FY28E earnings estimates for higher loan growth and maintain ADD with a revised RI-based TP of INR 335 (implying 2.5x Mar-28 ABVPS).
- Union Bank of India:** Union Bank's (UNBK) earnings beat estimates on the back of higher recovery from written-off accounts and lower-than-expected opex intensity, offset by dip in margins, and additional provisioning buffer. Loan growth (+10% YoY) was soft annually but gathered momentum sequentially (+6.3% QoQ), as muted deposit growth (+2% YoY, +6.9% QoQ) and excess liquidity was utilized (LCR down to 114% in Q4FY26; Q3FY26: 124%) with CASA ratio improving to 35.2% (+126bps QoQ). Asset quality remained benign across asset classes as UNBK made an additional provisioning buffer of INR7bn, factoring in global macros. Given UNBK is gradually getting back on the growth runway, margin-accretive growth will be critical alongside higher deposit mobilization while retaining the quality

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of deposits. While we lift our loan growth estimates for UNBK, this is offset by a soft operating performance owing to pressure on margins and lower traction in treasury income, with asset quality also expected to normalize upwards. We maintain ADD with a TP of INR200 (1.0x Mar-28 ABVPS).

- **LTIMindtree:** LTM reported Q4 revenue growth of 1.2% in QoQ CC, which was slightly lower vs the estimate as performance, impacted by a sharp sequential decline in the BFSI vertical (-5.1%). This downturn was primarily driven by an "AI productivity journey" with a top client where productivity benefits were front-loaded, leading to potential bottoming of the account. Full-year vertical growth in CC terms featured Consumer (11.8%), Manufacturing (11.5%), Healthcare (10.5%), and BFSI (2.8%), while Tech saw a slight decline (-1%). Long-term guidance under the Lakshya '31 framework aims to double revenue in five years, targeting a 15% CAGR through organic scale and inorganic acquisitions. For FY27, LTM remains confident in sustaining its growth momentum, focusing on continuous expansion via the New Horizons program to drive operational efficiencies. The demand environment is currently shaped by client priorities around Context, Cost, and Change Management—to drive AI-led growth. However, AI-led deflation is impacting the existing portfolio as clients demand better innovation and productivity pass-through on current contracts. Full-year TCV reached USD6.6bn, a 10.3% YoY increase, featuring six large deals over USD 100mn, including a major tax analytics platform for the CBDT. Despite the BFSI headwind from the top client, management expects recovery to begin in Q1FY27, though the acceleration in top account will be gradual. Margin saw a 100bps QoQ dip to 15.1% in Q4 due to wage hikes, yet full-year margins improved 90bps YoY to 15.4%. We reduce earnings by ~2% and maintain BUY with a TP of INR 5,420, based on 22x FY28E EPS.
- **Cyient:** Cyient reported a 2.4% QoQ CC decline in DET revenue, missing estimates due to delayed budget allocations from three key customers and macro uncertainty. This downturn was primarily driven by weakness in Network & Infra (-3.6% QoQ CC) and Strategic units (-12.4% QoQ CC), though partially offset by robust growth in Transportation (+4.5% QoQ CC, led by aerospace demand). Management indicated mid to high single-digit organic YoY growth next year, with an aspirational 15% EBIT margin for DET by Q4FY27. In the Semiconductor business, which hit USD 7.2mn (~4% of DET) in Q4 revenue, the company plans a fundraise entailing 10-12% dilution to fuel expansion and working capital needs. Meanwhile, it announced a buyback of 6.4mn shares (~5.8% of capital) at INR 1,125 per share, totaling INR 7.2bn; promoters' non-participation acts as a mild positive, capping downside risk. The demand landscape highlights client focus on transformative AI-led initiatives in autonomous networks and fiber buildouts, tempered by AI-driven deflation causing 20-30% productivity compression in legacy software development portfolios. Deal momentum remained strong, with Q4 order intake up 23% YoY and H2 TCV rising 5.5% YoY, bolstered by large wins like a multi-year framework with a global rail OEM. Key vertical growth levers include domain-led AI integration, while challenges stem from structural connectivity shifts and project delays. Short-term resilience shone through, as Q4 DET EBIT hit 12.4%, aided by 114 bps QoQ gross margin expansion from operational efficiencies. We cut estimate by ~2-4% and maintain ADD with a TP of INR 1,100, based on 14x DET FY28E EPS plus INR 121/share for DLM.

Infosys

Navigating uncertain environment

Infosys reported a 1.3% QoQ CC revenue decline in Q4, which was slightly lower than estimates due to seasonality and a slowdown in client decision-making in March. The FY27E revenue guidance of 1.5%-3.5% YoY CC was also slightly lower than expectations. The guidance incorporates impact from a client specific ramp-down (large European manufacturing client) and reduction in the on-site delivery mix. The lower end of the revenue guidance assumes a deteriorating macro environment and the upper end is based on a stable to improving demand environment. The overall demand environment remains challenging and evolving, as clients prioritize cost optimization and operational resilience over transformation. AI-led growth is expanding across six strategic areas, including strategy, data, and legacy modernization, with these high-value projects commanding premium pricing. However, AI-led deflation is impacting the existing portfolio as productivity savings are passed back to clients, resulting in core business compression that balances out net-new growth. Despite these headwinds, deal TCV for the full year reached a record USD 14.9bn, +24% YoY growth. Growth drivers include large deal ramp-ups in Financial Services and grid modernization in EURS, while pain points persist in Manufacturing due to geopolitical conflicts and Retail due to muted consumer demand and tightly controlled budgets. The Q4 margin performance saw a slight 0.3% QoQ decline to 20.9% as headwinds from acquisition amortization and compensation were only partially offset by currency gains and Project Maximus efficiencies. We reduce estimates by ~2-3% but maintain BUY with a TP of INR 1,550, based on 18x Mar-28E EPS.

- Q4FY26 highlights:** (1) INFY revenue de-grew 1.3% QoQ in CC terms to USD 5.04bn (lower than our estimate of USD 5.11bn), impacted by seasonality and slower client decision making. (2) Among the verticals, financial services (28% of the revenue) declined 1.9% QoQ, manufacturing (16% of the revenue) declined 5.9% QoQ, retail (13% of the revenue) declined 1.2% QoQ and E&U (13% of the revenue) declined 1.2% QoQ. (3) TCV stood at USD 3.2bn (+23% QoQ), of which 40% was net new. INFY signed three mega deals in FY26. (4) Reported EBITM stood at 21% (+263bps QoQ), which was slightly below with our estimate of 21.3%. The company has provided an operating margin guidance of 20 to 22% for FY27E, anticipating that wage hikes and AI investments will be offset by continued initiatives under Project Maximus.
- Outlook:** INFY is expected to grow by 3.7/6.1% in FY27/28E, implying a CQGR of 1.0/1.6%. We have factored in EBITM of 21.4/21.6% for FY27/28E, translating to an EPS CAGR of 8% over FY26-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Revenue (USD mn)	5,040	4,730	6.6	5,099	(1.2)	18,562	19,277	20,156	20,910	22,183
Net Sales	464.02	409.25	13.4	454.79	2.0	1,536.71	1,629.90	1,786.50	1,913.31	2,051.92
EBIT	97.43	85.75	13.6	83.55	16.6	317.47	344.24	362.54	410.22	443.79
APAT	85.01	70.33	20.9	75.85	12.1	247.50	267.13	303.71	324.42	355.60
Diluted EPS (INR)	21.0	16.9	23.8	18.4	14.0	59.6	64.3	73.8	78.7	86.3
P/E (x)						20.8	19.3	16.8	15.8	14.4
EV / EBITDA (x)						13.1	11.9	11.5	10.2	9.4
RoE (%)						30.3	29.0	32.2	33.9	35.1

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	21,347	20,910	(2.0)	22,757	22,183	(2.5)
Revenue	1,953.27	1,913.31	(2.0)	2,105.04	2,051.92	(2.5)
EBIT	416.88	410.22	(1.6)	455.75	443.79	(2.6)
EBIT margin (%)	21.3	21.4	10bps	21.7	21.6	-2bps
APAT	328.71	324.42	(1.3)	365.08	355.60	(2.6)
EPS (INR)	79.7	78.7	(1.3)	88.6	86.3	(2.6)

Source: Company, HSIE Research

BUY

CMP (as on 23 Apr 2026) INR 1,241

Target Price INR 1,550

NIFTY 24,173

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,600	INR 1,550
EPS %	FY27E	FY28E
	-1.3	-2.6

KEY STOCK DATA

Bloomberg code	INFO IN
No. of Shares (mn)	4,056
MCap (INR bn) / (\$ mn)	5,031/53,480
6m avg traded value (INR mn)	16,325
52 Week high / low	INR 1,728/1,215

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(25.7)	(18.8)	(15.9)
Relative (%)	(21.0)	(10.7)	(12.8)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	14.55	14.38
FIs & Local MFs	41.68	43.38
FPIs	29.58	28.45
Public & Others	14.19	13.69
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Tata Capital

Steady performance; medium-term guidance key monitorable

Tata Capital's (TATACAP) Q4FY26 earnings were marginally ahead of our estimates, driven by lower-than-expected credit costs (0.9%), partly offset by lower other income. TATACAP's portfolio (ex TMFL) grew at a strong pace (+28% YoY), driven by SME and corporate portfolio. TMFL portfolio (9.2% of AUM) reported net profit in Q4 with realignment of credit policies and organizational structure, shift in product mix, and increasing share of non-captive business. As highlighted in our [initiating coverage](#) report, TATACAP's conservative underwriting strategy augurs well for pristine asset quality. However, TATACAP's guidance of strong AUM growth (~23-25% CAGR) and profitability (~17-18% RoE) remains a key monitorable, particularly amidst global uncertainties. We revise our FY27E/FY28E earnings estimates for higher loan growth and maintain ADD with a revised RI-based TP of INR 335 (implying 2.5x Mar-28 ABVPS).

- **Strong AUM growth; steady P&L outcomes:** AUM growth (+20% YoY) was led by SME (+28% YoY) and corporate (+53% YoY), while the TMFL portfolio continued to scale down (-24% YoY). Unsecured retail (PL, BL and MFI), which delivered muted growth in FY26, is expected to deliver strong growth in FY27E, aiding margins, as per management. Operating efficiency improved marginally (C/I at 38.3%), driven by improving productivity and rationalization in TMFL's distribution.
- **Improving asset quality:** GS III/NS III improved marginally to 2%/0.9% (Q3FY26: 2.2%/1%) with GS-II at 1.3% (Q3FY26: 1.6%). Management has indicated reduction in slippages in unsecured retail, along with improving collections and recoveries in the TMFL portfolio.
- **FY26 guidance achieved; FY28E guidance key monitorable:** TATACAP has delivered steady operating performance in FY26, post amalgamation of TMFL portfolio. However, medium-term guidance (FY28E) – strong growth (AUM CAGR of 23-25%) and superior profitability (RoE of 17-18%), amidst elevated competitive intensity and global uncertainties, remain a key monitorable. To that extent, current valuation provides limited margin of safety. Maintain ADD.

Financial summary (Consolidated)

Y/E Mar (INR bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY27E	FY28E
NII	34.8	29.3	18.8	33.1	4.9	126.7	155.4	183.7
PPOP	25.6	21.9	16.8	25.0	2.5	95.8	123.7	147.1
PAT	14.7	10.0	46.7	12.6	15.9	48.5	66.0	81.1
EPS (INR)	3.5	2.7	32.6	3.0	19.2	11.5	15.6	19.2
ROAE (%)						12.3	13.4	14.5
ROAA (%)						1.8	2.1	2.1
ABVPS (INR)						103	117	135
P/ABV (x)						3.3	2.9	2.5
P/E (x)						29.6	21.8	17.7

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Chg	Old	New	Chg
AUM	3,216	3,308	2.9%	3,874	3,981	2.8%
NIM (%)	4.9	4.9	1 bps	4.9	4.8	-12 bps
NII	151.8	155.4	2.4%	182.6	183.7	0.6%
PPOP	120.3	123.7	2.8%	145.6	147.1	1.0%
PAT	61.9	66.0	6.5%	79.4	81.1	2.0%
ABVPS (INR)	116.6	117.0	0.3%	133.9	134.6	0.5%

Source: Company, HSIE Research

ADD

CMP (as on 23 Apr 2026)	INR 341
Target Price	INR 335
NIFTY	24,173

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 328	INR 335
	FY27E	FY28E
EPS %	6.3%	1.8%

KEY STOCK DATA

Bloomberg code	TATACAP IN
No. of Shares (mn)	4,245
MCap (INR bn) / (\$ mn)	1,446/15,368
6m avg traded value (INR mn)	1,101
52 Week high / low	INR 368/300

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.2)	4.8	-
Relative (%)	1.6	12.9	-

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	85.4	85.4
FIs & Local MFs	3.3	3.6
FPIs	4.6	4.9
Public & Others	6.7	6.1
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Union Bank of India

Navigating growth-margin trade-off

Union Bank's (UNBK) earnings beat estimates on the back of higher recovery from written-off accounts and lower-than-expected opex intensity, offset by dip in margins, and additional provisioning buffer. Loan growth (+10% YoY) was soft annually but gathered momentum sequentially (+6.3% QoQ), as muted deposit growth (+2% YoY, +6.9% QoQ) and excess liquidity was utilized (LCR down to 114% in Q4FY26; Q3FY26: 124%) with CASA ratio improving to 35.2% (+126bps QoQ). Asset quality remained benign across asset classes as UNBK made an additional provisioning buffer of INR7bn, factoring in global macros. Given UNBK is gradually getting back on the growth runway, margin-accretive growth will be critical alongside higher deposit mobilization while retaining the quality of deposits. While we lift our loan growth estimates for UNBK, this is offset by a soft operating performance owing to pressure on margins and lower traction in treasury income, with asset quality also expected to normalize upwards. We maintain ADD with a TP of INR200 (1.0x Mar-28 ABVPS).

- **Pick-up in growth offset by softer margins:** NII growth was flat even as credit volume picked up sequentially, as NIMs declined to 2.6% (-11bps QoQ) on account of December rate cut, partly offset by lower funding cost, from deposit re-pricing and better liquidity management. Loan growth (+10% YoY) was led by corporate (+9% QoQ), and vehicle (+8% QoQ) loans. We build in 13% loan CAGR for FY26-FY28E, with NII growth likely to lag loan growth.
- **Benign asset quality; but upward normalization expected:** Gross slippages remained flat (0.8%) with asset quality across asset classes remaining benign, translating to low but rising credit costs (FY26: 23bps; Q3FY26: 17bps). We expect credit costs to average ~50bps, owing to rising stress in the MSME portfolio (supply side inflation) and pick-up in credit growth.
- **Key to manage the growth-margin trade-off:** While UNBK is getting back on the growth trajectory, sustainably improving the quality of deposits alongside higher deposit mobilization shall be a challenge. Higher funding costs, softer treasury income, and upward normalization of credit costs are likely to keep the earnings growth muted.

Financial summary

(INR bn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	94.1	95.1	-1.1%	93.3	0.8%	366.6	417.3	444.1
PPOP	79.6	77.0	3.3%	69.4	14.6%	286.2	295.2	317.7
PAT	53.2	49.8	6.6%	50.2	6.0%	187.0	178.5	194.4
EPS (INR)	7.0	6.5	6.6%	6.6	5.9%	24.5	23.4	25.5
ROAE (%)						15.5	13.2	13.0
ROAA (%)						1.2	1.1	1.1
ABVPS (INR)						161.0	176.9	197.1
P/ABV (x)						1.1	1.0	0.9
P/E (x)						7.3	7.7	7.1

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	Δ	New	Old	Δ
Net advances	11,816	11,537	2.4%	13,371	12,806	4.4%
NIM (%)	2.8	2.9	-11 bps	2.7	2.7	-8 bps
NII	417.3	434.6	-4.0%	444.1	456.7	-2.8%
PPOP	295.2	303.0	-2.6%	317.7	328.9	-3.4%
PAT	178.5	177.2	0.7%	194.4	199.4	-2.5%
Adj. BVPS (INR)	176.9	175.5	0.8%	197.1	196.7	0.2%

Source: Company, HSIE Research

ADD

CMP (as on 23 Apr 2026)	INR 180
Target Price	INR 200
NIFTY	24,173

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR200	INR200
EPS %	FY27E +0.7%	FY28E -2.5%

KEY STOCK DATA

Bloomberg code	UNBK IN
No. of Shares (mn)	7,634
MCap (INR bn) / (\$ mn)	1,372/14,582
6m avg traded value (INR mn)	2,947
52 Week high / low	INR 205/113

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.0	25.8	39.0
Relative (%)	8.8	34.0	42.0

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	74.8	74.8
FIs & Local MFs	11.9	11.5
FPIs	8.1	9.4
Public & Others	5.2	4.4
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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LTIMindtree

Gearing for growth acceleration

LTM reported Q4 revenue growth of 1.2% in QoQ CC, which was slightly lower vs the estimate as performance, impacted by a sharp sequential decline in the BFSI vertical (-5.1%). This downturn was primarily driven by an "AI productivity journey" with a top client where productivity benefits were front-loaded, leading to potential bottoming of the account. Full-year vertical growth in CC terms featured Consumer (11.8%), Manufacturing (11.5%), Healthcare (10.5%), and BFSI (2.8%), while Tech saw a slight decline (-1%). Long-term guidance under the Lakshya '31 framework aims to double revenue in five years, targeting a 15% CAGR through organic scale and inorganic acquisitions. For FY27, LTM remains confident in sustaining its growth momentum, focusing on continuous expansion via the New Horizons program to drive operational efficiencies. The demand environment is currently shaped by client priorities around Context, Cost, and Change Management—to drive AI-led growth. However, AI-led deflation is impacting the existing portfolio as clients demand better innovation and productivity pass-through on current contracts. Full-year TCV reached USD6.6bn, a 10.3% YoY increase, featuring six large deals over USD 100mn, including a major tax analytics platform for the CBDT. Despite the BFSI headwind from the top client, management expects recovery to begin in Q1FY27, though the acceleration in top account will be gradual. Margin saw a 100bps QoQ dip to 15.1% in Q4 due to wage hikes, yet full-year margins improved 90bps YoY to 15.4%. We reduce earnings by ~2% and maintain BUY with a TP of INR 5,420, based on 22x FY28E EPS.

- Q4FY26 highlights:** (1) LTIM's Q4 revenue at USD 1,222 mn (vs HSIE USD 1,230 mn) grew +1.2/7% QoQ/YoY CC. (2) Among the verticals, Healthcare led the growth (+8.9% QoQ), followed by Technology, Media & Comms, which grew +8% QoQ and Consumer grew 2.5% QoQ. BFSI vertical declined by 4.9% QoQ while Manufacturing remained flat (+0.7% QoQ) in the quarter. (3) TCV remained stable at USD 1.7bn for Q4, marking the sixth consecutive quarter with inflows exceeding USD 1.5bn. (4) LTIM's EBITM at 15.1% (vs our estimate of 15.5%) contracted 96bps QoQ, due to a partial wage hike implemented from 1 January and productivity commitments in key accounts, partially offset by forex benefits. (5) Total headcount stood at 87,950 at FY26-end, with a net addition of 3,643 employees.
- Outlook:** We have factored in LTIM's revenue growth at 8.3/9.7% and EBITM at 16.0/17.1% for FY27/28E respectively, translating into an EPS CAGR of ~16% over FY26-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Revenue (USD mn)	1,222	1,131	8.0	1,208	1.2	4,287	4,493	4,763	5,158	5,660
Net Sales	112.92	97.72	15.6	107.81	4.7	355.17	380.08	423.08	471.97	523.51
EBIT	17.09	13.45	27.1	17.37	(1.6)	55.69	55.03	64.93	75.53	89.36
APAT	13.42	11.29	18.9	9.60	39.8	45.85	46.02	54.09	61.84	72.93
Diluted EPS (INR)	45.4	38.2	18.9	47.1	(3.7)	155.0	155.6	182.9	209.0	246.6
P/E (x)						29.2	29.1	24.8	21.7	18.4
EV / EBITDA (x)						19.5	19.0	15.8	13.7	11.3
RoE (%)						25.0	21.5	23.2	24.0	24.6

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	5,185	5,158	(0.5)	5,684	5,660	(0.4)
Revenue	474.43	471.97	(0.5)	525.76	523.51	(0.4)
EBIT	75.58	75.53	(0.1)	90.11	89.36	(0.8)
EBIT margin (%)	15.9	16.0	7bps	17.1	17.1	-7bps
APAT	63.49	61.84	(2.6)	74.76	72.93	(2.4)
EPS (INR)	214.6	209.0	(2.6)	252.7	246.6	(2.4)

Source: Company, HSIE Research

BUY

CMP (as on 23 Apr 2026)	INR 4,532
Target Price	INR 5,420
NIFTY	24,173

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 5,560	INR 5,420
EPS %	FY27E	FY28E
	-2.6	-2.4

KEY STOCK DATA

Bloomberg code	LTM IN
No. of Shares (mn)	296
MCap (INR bn) / (\$ mn)	1,344/14,281
6m avg traded value (INR mn)	1,790
52 Week high / low	INR 6,430/4,000

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(23.1)	(19.3)	(0.1)
Relative (%)	(18.4)	(11.2)	2.9

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	68.53	68.52
FIs & Local MFs	16.91	17.01
FPIs	6.51	6.63
Public & Others	8.05	7.84
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Cyient

Growth challenged; margins stable

Cyient reported a 2.4% QoQ CC decline in DET revenue, missing estimates due to delayed budget allocations from three key customers and macro uncertainty. This downturn was primarily driven by weakness in Network & Infra (-3.6% QoQ CC) and Strategic units (-12.4% QoQ CC), though partially offset by robust growth in Transportation (+4.5% QoQ CC, led by aerospace demand). Management indicated mid to high single-digit organic YoY growth next year, with an aspirational 15% EBIT margin for DET by Q4FY27. In the Semiconductor business, which hit USD 7.2mn (~4% of DET) in Q4 revenue, the company plans a fundraise entailing 10-12% dilution to fuel expansion and working capital needs. Meanwhile, it announced a buyback of 6.4mn shares (~5.8% of capital) at INR 1,125 per share, totaling INR 7.2bn; promoters' non-participation acts as a mild positive, capping downside risk. The demand landscape highlights client focus on transformative AI-led initiatives in autonomous networks and fiber buildouts, tempered by AI-driven deflation causing 20-30% productivity compression in legacy software development portfolios. Deal momentum remained strong, with Q4 order intake up 23% YoY and H2 TCV rising 5.5% YoY, bolstered by large wins like a multi-year framework with a global rail OEM. Key vertical growth levers include domain-led AI integration, while challenges stem from structural connectivity shifts and project delays. Short-term resilience shone through, as Q4 DET EBIT hit 12.4%, aided by 114 bps QoQ gross margin expansion from operational efficiencies. We cut estimate by ~2-4% and maintain ADD with a TP of INR 1,100, based on 14x DET FY28E EPS plus INR 121/share for DLM.

- Q4FY26 highlights:** (1) DET revenue stood at USD 164mn, down 2.4/1.5% QoQ/YoY CC (below our estimate of USD 167mn) due to delays in client budget deployments and pushouts in West Asia energy deals. (2) Transportation & mobility grew 4.5% QoQ CC, driven by strong aerospace demand and lifecycle management strength. Networks & infrastructure declined 3.6% QoQ CC, with connectivity facing structural shifts, though fiber investments are expected to sustain. Strategic units saw a sharp 12.4% QoQ CC decline, with management working toward a flat performance next quarter. (3) DET EBIT margin improved 114bps QoQ (gross margin basis) to 12.4%, reflecting operational efficiencies and currency tailwinds, offset by leadership investments and forex headwinds.
- Outlook:** We have factored in +3.4/6.6% DET USD revenue growth for FY27/28E. The DET margin is estimated at 13.7/14.6% for FY27/28E, resulting in a consolidated revenue/EPS CAGR of +5/24% over FY26-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Revenue (USD mn)	210	212	(0.9)	207	1.3	863	853	821	860	930
Net Sales	19.27	19.09	0.9	18.49	4.2	71.47	73.60	72.68	78.67	85.99
EBIT	1.84	2.35	(21.9)	1.75	5.0	10.36	8.84	6.88	9.40	10.98
APAT	1.25	1.71	(27.0)	1.28	(3.0)	7.41	6.22	5.34	6.88	8.16
Diluted EPS (INR)	11.3	15.5	(27.0)	11.6	(3.0)	67.1	56.3	48.4	62.4	73.9
P/E (x)						13.9	16.6	19.3	15.0	12.7
EV / EBITDA (x)						7.5	8.0	8.9	6.8	5.7
RoE (%)						19.2	13.0	9.9	12.1	13.4

Source: Company, HSIE Research, Consolidated Financials, USD revenue is DET business

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	876	860	-1.8	955	930	-2.6
Revenue	80.15	78.67	-1.8	88.31	85.99	-2.6
EBIT	9.32	9.40	0.8	11.06	10.98	-0.7
EBIT margin (%)	11.6	11.9	32bps	12.5	12.8	25bps
APAT	7.11	6.88	-3.2	8.52	8.16	-4.2
EPS (INR)	64.4	62.4	-3.2	77.2	73.9	-4.2

Source: Company, HSIE Research, USD revenue is DET business

ADD

CMP (as on 23 Apr 2026)	INR 936
Target Price	INR 1,100
NIFTY	24,173

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,110	INR 1,100
EPS %	FY27E	FY28E
	-3.2	-4.2

KEY STOCK DATA

Bloomberg code	CYL IN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	104/1,105
6m avg traded value (INR mn)	436
52 Week high / low	INR 1,377/750

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.8)	(22.8)	(25.0)
Relative (%)	(9.1)	(14.6)	(21.9)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	23.29	23.28
FIs & Local MFs	39.49	40.97
FPIs	15.28	15.32
Public & Others	21.94	20.43
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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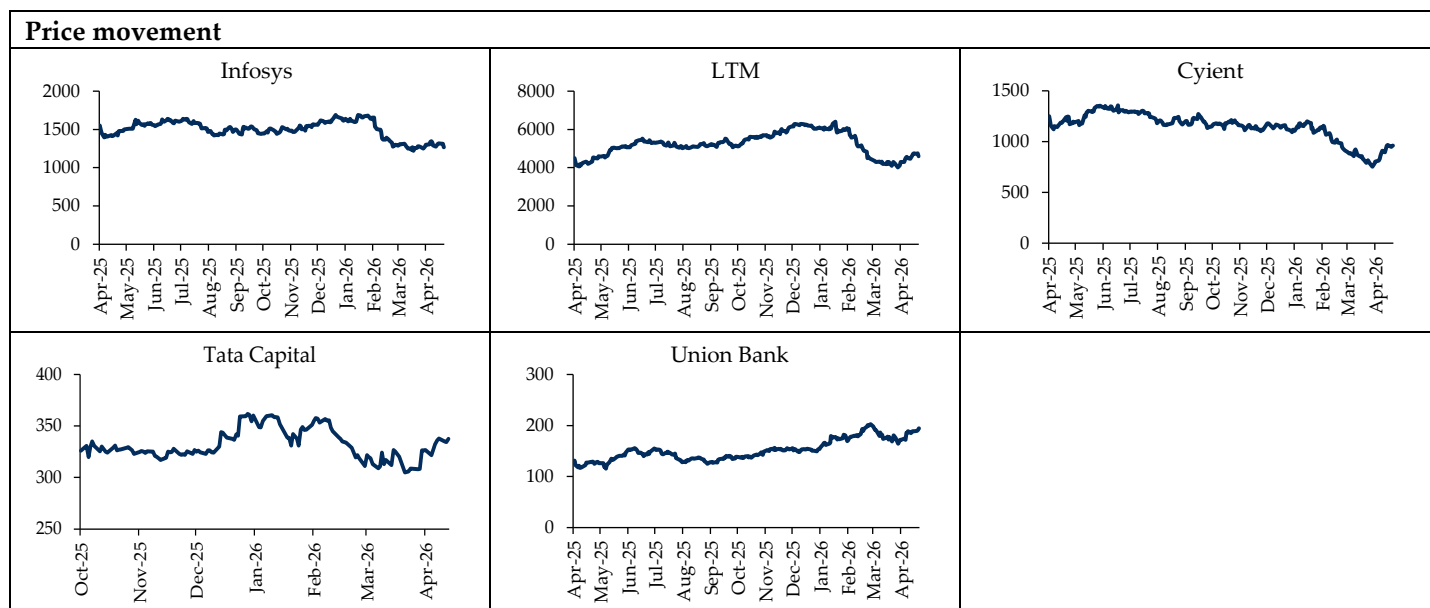
Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Amit Chandra	Infosys, LTIMindtree, Cyient	MBA	NO
Vinesh Vala	Infosys, LTIMindtree, Cyient	MBA	NO
Maitreyee Vaishampayan	Infosys	MSc	YES
Maitreyee Vaishampayan	LTIMindtree, Cyient	MSc	NO
Deepak Shinde	Tata Capital	PGDM	NO
Krishnan ASV	Tata Capital, Union Bank of India	PGDM	NO
Ayush Pandit	Tata Capital	CA	NO
Akshay Badlani	Union Bank of India	CA	NO

Price movement



Disclosure:

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