

Tech Mahindra | ADD

Healthy performance; prefer TechM among large tiers

Tech Mahindra reported Q2FY27 results with revenue and margin higher than expectations. Revenue growth came in at 2.4% cc QoQ versus expectations of 1.5% cc QoQ, supported by large-deal ramp-ups despite the anticipated partial European auto headwind. EBIT margin stood at 14.8% (JMFe: 14.6%). Forward-looking indicators: i) LTM new TCV grew 35% YoY, with the company continuing to deliver USD 1bn+ new-deal TCV per quarter. ii) Headcount increased 3.7% QoQ/-0.3% YoY, partially reflecting employee transfers associated with the Orange deal. iii) Management commentary – confident of sustaining growth momentum and achieving 15% EBIT margin in FY27. Tech Mahindra continues to execute well on both growth and margins, with broad-based deal wins and account mining supporting growth visibility. Normal furloughs is expected in Q3FY27, although European auto would remain a near-term headwind. We raise target multiple to 20x (19x earlier) given sector rerating and healthy orderbook and revise FY27-29 estimates marginally with a revised TP of INR 1,800 (INR 1,705 earlier). Valuations are at 19x 1Y forward consensus EPS. We maintain ADD and prefer TechM among the large tiers.

- **Q2FY27 results:** i) Revenue came in at USD 1,693mn, +2% QoQ/+6.8% YoY (JMFe: USD 1,682mn). ii) Revenue grew 2.4% cc QoQ (2.3% organic cc QoQ) versus JMFe/consensus estimates of 1.5%, supported by large-deal ramp-ups. iii) IT segment rose 1.7% USD QoQ while BPS segment grew 3.3%. iv) EBIT margin came in at 14.8%, up ~40bps QoQ/~260bps YoY, versus JMFe: 14.6%, supported by volume growth and Project Fortius savings, partially offset by wage hikes. v) Reported PAT stood at INR 15.86bn versus JMFe of INR 17.98bn and consensus estimates of INR 15.75bn. Other income includes FX loss (~USD 17mn), impacting PAT.
- **Vertical and geography performance:** i) Growth was broad-based across geographies, with Europe up 2.5% USD QoQ, followed by Americas (+1.9%) and RoW (+1.6%). ii) Retail, Logistics and Transport (+9.6% USD QoQ) and Communications (+6%) led growth, supported by deal ramp-ups, followed by Tech Media and Entertainment (+2.8%), Healthcare and Lifesciences (+1.4%) and BFSI (+0.4%). Manufacturing declined 3.9% against a higher base from accelerated European auto programme execution in Q1. iii) Top 5/top 6-10 clients grew 6.2%/5.3% QoQ in USD terms.
- **Other key details:** i) New TCV grew ~25% YoY to USD 1,023mn; LTM new TCV rose ~35% YoY. ii) Headcount increased 3.7% QoQ; utilisation improved to 88.9% versus 87% in Q1FY27. iii) LTM OCF/EBITDA came in at 62% in Q2FY27.
- **Key earnings call takeaways:** i) Management indicated that industry pricing compression has been driven more by competition than by a diversion of client budgets towards AI. ii) Management reiterated FY27 ambition of 15% EBIT margin. iii) Accelerated execution of a European automotive programme in Q1FY27 expected to create a further sequential revenue headwind of ~0.5% in Q3. The company expects normal furloughs in Q3FY27. iv) The quarterly headcount increases partly reflected employee transfers associated with Orange engagement. v) The company reiterated its full-year FCF/PAT conversion objective of 90–100%.
- **JMF view:** Tech Mahindra reported better-than-expected Q2FY27. Large deal ramp-up provides visibility near term, despite drag from one-off revenues in European auto. BPS segment does well in Q3FY27 and would likely aid to offset the European auto drag. Q4FY27 would likely benefit from Comviva seasonality. We maintain ADD and prefer TechM among the large tiers.

Financial Summary					(INR mn)
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Sales	529,883	568,154	648,014	694,812	739,176
Sales Growth (%)	1.9	7.2	14.1	7.2	6.4
EBITDA	69,911	90,341	116,601	125,246	133,237
EBITDA Margin (%)	13.2	15.9	18.0	18.0	18.0
Adjusted Net Profit	42,515	50,817	70,264	80,016	85,094
Diluted EPS (INR)	47.9	57.2	79.1	90.0	95.7
Diluted EPS Growth (%)	71.8	19.4	38.1	13.9	6.3
ROIC (%)	17.4	22.4	28.2	29.0	28.6
ROE (%)	15.1	17.1	22.6	24.7	24.4
P/E (x)	34.4	30.4	20.8	18.3	17.2
P/B (x)	5.1	4.7	4.7	4.4	4.0
EV/EBITDA (x)	22.3	17.2	13.4	12.5	11.7
Dividend Yield (x)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of October 15, 2026



Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	INR1,800
Upside/(Downside)	9.1%
Previous Price Target	INR1,705
Change	5.6%

Key Data – TECHM IN

Current Market Price	INR1,650
Market cap (bn)	INR1,617.3/US\$17.0
Free Float (%)	54.0
Shares in issue (mn)	980.2
Diluted share (mn)	889
3-mon avg daily val (mn)	INR4,159.5/US\$43.8
52-week range	INR1,854/1,304
Sensex/Nifty	74,316/22,997
INR/US\$	95.1

Price Performance

%	1M	6M	12M
Absolute	4.7	11.2	13.1
Relative*	4.7	16.7	27.0

*To the NSE Nifty 50

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JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Q2FY27 conference call highlights

- **Demand:** Management highlighted that growth remained broad-based across verticals, geographies and service lines, supported by large-deal ramp-ups and market-share gains within existing clients. Demand continues to be driven by cost optimisation, vendor consolidation, platform modernisation and AI-led transformation, with engagements increasingly moving beyond pilots into core business processes. The company noted growing opportunities in consulting, modernisation, data and analytics as clients prepare for enterprise AI adoption. However, productivity expectations on contract renewals and competitive intensity continue to exert pricing pressure. Management indicated that industry pricing compression has been driven more by competition than by a diversion of client budgets towards AI.
- **Outlook:** Management reiterated its FY27 EBIT margin target of 15% and expressed confidence in sustaining business momentum into the December quarter. The company expects normal seasonality in 2HFY27, without unusually high furloughs in 3Q or 4Q. Weakness in European automotive remains manageable within the broader portfolio; however, the accelerated execution of a European automotive programme in 1Q is expected to create a further sequential revenue headwind of ~0.5% in 3Q, following a larger impact in 2Q, before normalising. Management highlighted that the strategic emphasis has shifted towards profitable growth and outgrowing peers.
- **Margins:** Management highlighted that EBIT margin expanded 40bps QoQ/260bps YoY to 14.8%, marking the twelfth consecutive quarter of margin expansion. Strong volume growth and Project Fortius savings supported profitability, partly offset by wage hikes. The company noted that AI toolchains across service lines should improve productivity in fixed-price and managed-services engagements, releasing employees for redeployment into growth opportunities. While time-and-material delivery economics are now close to industry benchmarks, meaningful opportunities remain in fixed-price execution through automation and delivery rationalisation. Management also highlighted an initial 300–400bps margin opportunity from employee pyramid rationalisation, which remains largely untapped as the experienced workforce has supported demand. The balance between incremental efficiencies and reinvestment in growth will form part of the next strategic roadmap.
- **Verticals:** Management highlighted that **communications** grew 6% QoQ, supported by the Orange deal ramp-up and new strategic engagements, with opportunities across AI-led operations, network modernisation and B2B platforms. **Retail, transportation and logistics** grew 9.6% QoQ, driven by new-deal ramp-ups and expansion within existing accounts, while **technology, media and entertainment and healthcare/life sciences** grew 2.8% and 1.4% QoQ, respectively. **Manufacturing** declined 3.9% QoQ against an elevated base following accelerated execution of the European automotive programme in 1Q, although aerospace demand remained healthy. **BFSI** grew 1% cc QoQ and 5.4% cc YoY; management expects YoY growth to return to the 8%+ levels recorded in the preceding two quarters, or higher, in 3Q.
- **Bookings:** Management highlighted deal wins of USD 1,023mn during the quarter, with LTM bookings reaching USD 4,270mn, up 34.8% YoY. Wins were broad-based across communications, BFSI, manufacturing, retail, logistics and transportation, as well as across geographies. The company noted that the communications pipeline and visibility remain strong, with recent UK and Australian wins expected to scale over the next few quarters.
- **AI strategy:** Management highlighted that TechM Helix is progressing from capability building to scaled execution through two complementary priorities: embedding AI toolchains across every service line and developing AI-led transformation offerings for every vertical. TechM Orion provides a model-agnostic enterprise AI platform, while the company is consolidating over 200 AI assets into reusable platforms, blueprints and accelerators. During the quarter, it completed 25 prioritised horizontal and industry use cases and progressed over 100 additional vertical use cases. Domain-specific language models are being embedded into toolchains and combined with agents to execute governed business processes.
- **Supply:** Management noted that the quarterly headcount increase partly reflected employee transfers associated with the Orange engagement and should not be viewed as a broader shift based on a single quarter. Despite high utilisation, the company expects AI-led productivity gains in fixed-price projects to release capacity for growth. The experienced employee base continues to provide an advantage in the AI environment, with pyramid optimisation remaining an available lever.

Accelerated execution of a European automotive programme in 1Q is expected to create a further sequential revenue headwind of ~0.5% in 3Q

Management reiterated FY27 EBIT margin target of 15%

- **Cash conversion:** Management highlighted quarterly free cash flow of USD 135mn, with conversion affected by the ramp-up of new rebadging deals; this impact is expected to normalise in the following quarter. DSO increased four days QoQ to 88 days, while improving six days YoY. The company reiterated its full-year FCF/PAT conversion objective of 90–100% and its policy of returning at least 85% of free cash flow to shareholders.

Exhibit 1: Q2FY27 result summary

	Q2FY27 A	Q1FY27 A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate (Consensus)	Variance (vs. consensus)	QoQ estimate	
								JMFe	Consensus
USD-INR	95.57	94.65	1.0%	95.60	0.0%	95.60	0.0%	1.0%	1.0%
CC Revenue Growth (QoQ)	2.4%	2.6%	-20bp	1.5%	88bp	1.5%	90bp	-108bp	-110bp
Revenue (USD mn)	1,693	1,660	2.0%	1,682	0.7%	1,681	0.7%	1.3%	1.2%
Revenue (INR mn)	161,802	157,119	3.0%	160,796	0.6%	160,672	0.7%	2.3%	2.3%
EBIT (INR mn)	23,871	22,639	5.4%	23,476	1.7%	23,297	2.5%	3.7%	2.9%
EBIT margin	14.8%	14.4%	34bp	14.6%	15bp	14.5%	25bp	19bp	9bp
PAT (INR mn)	15,856	14,651	8.2%	17,976	-11.8%	15,746	0.7%	22.7%	7.5%
EPS (INR)	17.84	16.50	8.1%	20.24	-11.9%	17.73	0.6%	22.7%	7.5%

Source: Company, JM Financial estimates

Q2FY27 result review

Exhibit 2: Key financials

(INR mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Cons. revenues (USD mn)	1,549	1,564	1,586	1,610	1,625	1,660	1,693
Change (QoQ)	-1.2%	1.0%	1.4%	1.5%	0.9%	2.2%	2.0%
Cons. Revenues	133,840	133,512	139,949	143,932	150,761	157,119	161,802
Change (QoQ)	0.7%	-0.2%	4.8%	2.8%	4.7%	4.2%	3.0%
Cost of services	94,800	95,236	99,159	100,276	104,018	109,259	112,359
Gross profit	39,040	38,276	40,790	43,656	46,743	47,860	49,443
Gross margin	29.2%	28.7%	29.1%	30.3%	31.0%	30.5%	30.6%
Operating expenses	20,366	18,924	19,110	20,000	21,090	20,435	20,658
EBITDA	18,674	19,352	21,680	23,656	25,653	27,425	28,785
EBITDA margin	14.0%	14.5%	15.5%	16.4%	17.0%	17.5%	17.8%
Depreciation	4,621	4,581	4,687	4,737	4,811	4,786	4,914
EBIT	14,053	14,771	16,993	18,919	20,842	22,639	23,871
EBIT margin	10.5%	11.1%	12.1%	13.1%	13.8%	14.4%	14.8%
Non-operating income	874	1,405	-372	-1,153	-2,935	-2,177	-910
Profit Before Tax	14,927	16,176	16,621	17,766	17,907	20,462	22,961
Income tax expense	3,496	4,893	4,576	3,865	4,342	5,556	6,864
Net income from operations	11,431	11,283	12,045	13,901	13,565	14,906	16,097
Extraordinary income (net of taxes)	0	0	0	-2,724	0	0	0
Minority interest	248	-118	72	34	-26	212	241
Net Income for Common Stocks	11,667	11,406	11,945	11,220	13,538	14,651	15,856
Net margin	8.5%	8.5%	8.6%	9.7%	9.0%	9.5%	9.9%
Diluted EPS (reported)	13.2	12.9	13.5	15.7	15.2	16.5	17.8
Change (QoQ)	18.7%	-2.2%	4.7%	16.7%	20.6%	8.3%	8.1%

Source: Company, JM Financial

Exhibit 3: Vertical portfolio

	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Distribution - %							
Communications	33.2%	33.8%	32.7%	33.1%	33.4%	32.3%	33.5%
Manufacturing	17.0%	17.5%	18.1%	18.3%	18.1%	19.3%	18.2%
Hi-Tech and Media	13.2%	13.3%	13.1%	13.2%	13.5%	12.9%	13.0%
Banking, Financial services & Insurance	16.7%	16.4%	16.8%	15.5%	16.6%	16.7%	16.4%
Retail, Transport & Logistics	8.1%	7.9%	8.5%	8.7%	8.2%	8.1%	8.7%
Healthcare & Life Sciences	7.3%	7.3%	7.3%	3.7%	7.3%	7.3%	7.3%
Others	4.5%	3.9%	3.5%	13.2%	2.9%	3.4%	2.8%
Revenue (USD mn)							
Communications	514	529	519	533	543	536	567
Change (QoQ)	1%	3%	-2%	3%	2%	-1%	6%
Manufacturing	263	274	287	295	294	320	308
Change (QoQ)	0%	4%	5%	3%	0%	9%	-4%
Hi-Tech and Media	204	208	208	213	219	214	220
Change (QoQ)	-9%	2%	0%	2%	3%	-2%	3%
BFSI	259	257	266	250	270	277	278
Change (QoQ)	2%	-1%	4%	-6%	8%	3%	0%
Retail, transport & logistics	125	124	135	140	133	134	148
Change (QoQ)	-1%	-1%	9%	4%	-5%	1%	10%
Healthcare & Life Sciences	113	114	116	119	119	121	124
Change (QoQ)	-6%	-1%	1%	3%	0%	2%	2%
Others	70	61	56	60	47	56	47
Change (QoQ)	-1%	-12%	-9%	7%	-21%	20%	-16%

Source: Company, JM Financial

Exhibit 4: Geographic distribution

	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Distribution - %							
North America	48.4%	49.2%	49.8%	50.6%	49.7%	48.6%	48.5%
Europe	25.4%	26.0%	25.4%	25.6%	26.0%	27.5%	27.6%
RoW	26.2%	24.8%	24.8%	23.9%	24.3%	23.9%	23.8%
Revenue (USD mn)							
North America	750	770	790	815	808	807	822
Change (QoQ)	-6%	3%	3%	3%	-1%	0%	2%
Europe	393	407	403	412	423	457	468
Change (QoQ)	6%	3%	-1%	2%	3%	8%	3%
RoW	406	388	393	385	395	397	403
Change (QoQ)	1%	-4%	1%	-2%	3%	0%	2%

Source: Company, JM Financial

Exhibit 5: Key manpower metrics

	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Total	148,731	148,517	152,714	149,616	147,623	146,760	152,206
Net addition - Delivery	-1,757	-214	4,197	-3,098	-1,993	-863	5,446
Delivery headcount – IT	80,609	79,987	78,528	76,194	75,377	74,689	76,617
Delivery headcount – BPO	59,636	60,278	66,095	65,450	64,330	64,080	67,520
Sales and support staff	8,486	8,252	8,091	7,972	7,916	7,991	8,069
Attrition	10.0%	12.6%	12.8%	12.3%	12.1%	11.8%	11.7%

Source: Company, JM Financial

Exhibit 6: Key client metrics

	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Revenue concentration							
Top 5 clients	15.5%	15.6%	15.6%	15.2%	14.9%	14.7%	15.3%
Top 10 clients	24.5%	25.2%	24.3%	24.3%	24.3%	24.0%	24.9%
Top 20 clients	38.2%	39.0%	37.1%	37.7%	38.0%	37.3%	38.0%
Relationship distribution							
USD1mn+ Clients	540	529	520	521	512	499	516
Change	0	-11	-9	1	-9	-13	17
USD5mn+ Clients	195	193	194	196	194	194	199
Change	4	-2	1	-2	-2	0	5
USD10mn+ Clients	106	108	106	111	112	115	118
Change	2	2	-2	5	1	3	3
USD20mn+ Clients	59	60	63	64	66	66	66
Change	-2	1	3	1	2	0	0
USD50mn+ Clients	25	26	26	28	29	33	33
Change	0	1	0	2	1	4	0

Source: Company, JM Financial

Maintain ADD, TP revised to INR 1,800

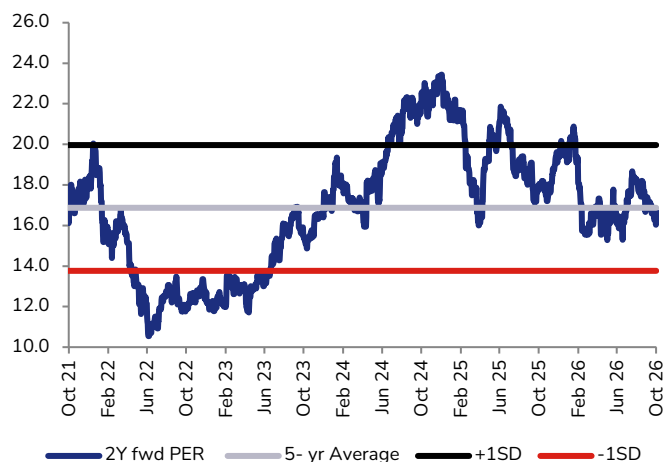
We have revised revenue cc YoY growth expectations marginally for FY27–29E. We now forecast cc YoY growth of 5.9-6.5% over FY27–29E. Our margin estimates have slightly increased for FY27E and largely remain unchanged for FY28-29E. Changes to growth and margin estimates drive a marginal change to our FY27–29E PAT estimates. FY27–29E EPS estimates have been similarly impacted. We now value the stock at 20x (19x earlier). We maintain ADD with a revised TP of INR 1,800 (INR 1,705 earlier).

Exhibit 7: What has changed?

	Old			New			Change		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Exchange rate (INR/USD)	95.6	96.0	96.5	95.8	97.0	97.5	0.3%	1.0%	1.0%
Revenue growth YoY CC	6.1%	6.0%	6.1%	6.5%	6.0%	5.9%	42bp	3bp	-27bp
Consolidated revenue (USD mn)	6,743	7,143	7,580	6,763	7,163	7,581	0.3%	0.3%	0.0%
Growth in USD revenues (YoY)	5.6%	5.9%	6.1%	5.9%	5.9%	5.8%	33bp	-3bp	-27bp
Consolidated revenue (INR mn)	644,370	685,727	731,445	648,014	694,812	739,176	0.6%	1.3%	1.1%
EBITDA margin	17.8%	18.0%	18.0%	18.0%	18.0%	18.0%	23bp	-2bp	-2bp
EBIT margin	14.8%	15.0%	15.0%	15.0%	15.0%	15.0%	22bp	-2bp	-2bp
PAT (INR mn)	70,445	79,781	85,060	70,264	80,016	85,094	-0.3%	0.3%	0.0%
EPS	79.3	89.8	95.8	79.1	90.0	95.7	-0.3%	0.2%	-0.1%

Source: JM Financial estimates

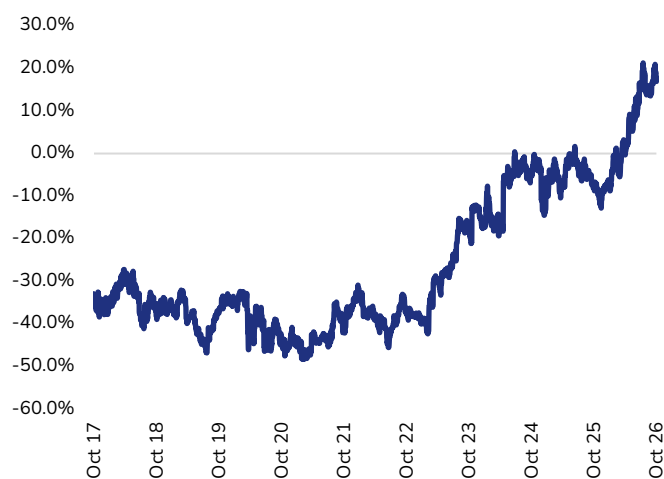
Valuation Charts

Exhibit 8: Price-to-2Y forward earnings


Source: Bloomberg, JM Financial

Exhibit 9: Price-to-1Y forward earnings


Source: Bloomberg, JM Financial

Exhibit 10: Valuation premium/discount to NSE IT


Source: Bloomberg, JM Financial

Exhibit 11: LTM FCF yield


Source: Bloomberg, JM Financial

TECHM - Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Sales	529,883	568,154	648,014	694,812	739,176
Sales Growth (%)	1.9	7.2	14.1	7.2	6.4
Other Operating Income	-	-	-	-	-
Total Revenue	529,883	568,154	648,014	694,812	739,176
Cost of Goods Sold/Op. Exp	380,848	398,689	448,197	480,630	511,324
Personnel Cost	-	-	-	-	-
Other Expenses	79,124	79,124	83,217	88,936	94,614
EBITDA	69,911	90,341	116,601	125,246	133,237
EBITDA Margin (%)	13.2	15.9	18.0	18.0	18.0
EBITDA Growth (%)	40.8	29.2	29.1	7.4	6.4
Depn. & Amort.	18,529	18,816	19,573	20,844	22,175
EBIT	51,382	71,525	97,028	104,401	111,062
Other Income	5,337	-3,055	-1,826	2,432	2,587
Finance Cost	-	-	-	-	-
PBT before Excep. & Forex	56,719	68,470	95,202	106,833	113,649
Excep. & Forex Inc./Loss(-)	-	-	-	-	-
PBT	56,719	68,470	95,202	106,833	113,649
Taxes	14,275	17,676	25,365	27,242	28,981
Extraordinary Inc./Loss(-)	-	-2,724	-	-	-
Assoc. Profit/Min. Int.(-)	101	-53	-496	-497	-497
Reported Net Profit	42,515	48,093	70,264	80,016	85,094
Adjusted Net Profit	42,515	50,817	70,264	80,016	85,094
Net Margin (%)	8.0	8.9	10.8	11.5	11.5
Diluted Share Cap. (mn)	887	888	889	889	889
Diluted EPS (INR)	47.9	57.2	79.1	90.0	95.7
Diluted EPS Growth (%)	71.8	19.4	38.1	13.9	6.3
Total Dividend + Tax	39,849	45,201	48,768	57,642	57,642
Dividend Per Share (INR)	45.0	51.0	55.0	65.0	65.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Profit before Tax	56,719	68,470	95,202	106,833	113,649
Depn. & Amort.	18,529	18,816	19,573	20,844	22,175
Net Interest Exp. / Inc. (-)	3,217	3,374	3,649	3,821	4,065
Inc (-) / Dec in WCap.	-2,662	-14,872	-7,937	-18,115	-19,678
Others	-3,189	2,434	-1,398	-5,828	-6,228
Taxes Paid	-14,757	-16,502	-25,365	-27,242	-28,981
Operating Cash Flow	57,857	61,720	83,725	80,314	85,004
Capex	-4,829	-5,461	-23,718	-22,836	-24,063
Free Cash Flow	53,028	56,259	60,007	57,478	60,941
Inc (-) / Dec in Investments	1,999	-856	7,937	-	-
Others	2,598	2,225	1,824	6,253	6,653
Investing Cash Flow	-232	-4,092	-13,957	-16,582	-17,411
Inc / Dec (-) in Capital	90	9	-120	-	-
Dividend + Tax thereon	-38,418	-40,255	-48,537	-57,362	-57,362
Inc / Dec (-) in Loans	-10,751	-4,338	429	-	-
Others	-8,913	-6,721	-3,649	-3,821	-4,065
Financing Cash Flow	-57,992	-51,305	-51,878	-61,184	-61,428
Inc / Dec (-) in Cash	-367	6,323	17,890	2,547	6,165
Opening Cash Balance	43,471	43,185	50,461	68,351	70,898
Closing Cash Balance	43,184	50,461	68,351	70,898	77,064

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Shareholders Fund	290,221	313,074	317,078	339,731	367,463
Share Capital	4,424	4,428	4,430	4,430	4,430
Reserves & Surplus	281,495	304,030	308,154	330,807	358,539
Preference Share Capital	-	-	-	-	-
Minority Interest	4,302	4,616	4,494	4,494	4,494
Total Loans	13,957	18,486	18,515	18,515	18,515
Def. Tax Liab. / Assets (-)	-18,573	-21,864	-19,017	-19,017	-19,017
Other non-current liabilities / Lease Liabilities	14,027	17,159	18,176	19,488	20,733
Total - Equity & Liab.	299,632	326,855	334,752	358,718	387,693
Net Fixed Assets	124,835	129,106	133,251	135,242	137,130
Gross Fixed Assets	24,145	24,579	26,267	28,258	30,146
Intangible Assets	100,484	104,259	105,676	105,676	105,676
Less: Depn. & Amort.	-	-	-	-	-
Capital WIP	206	268	1,308	1,308	1,308
Investments	34,058	34,850	26,845	26,845	26,845
Current Assets	252,293	288,072	301,106	333,179	369,839
Inventories	-	-	-	-	-
Sundry Debtors	157,925	185,820	197,327	223,091	250,020
Cash & Bank Balances	43,185	50,461	50,749	53,296	59,461
Loans & Advances	4,123	4,476	5,732	6,146	6,539
Other Current Assets	47,060	47,315	47,299	50,646	53,819
Current Liab. & Prov.	126,740	144,975	146,200	156,298	165,870
Current Liabilities	46,666	46,273	46,352	49,699	52,872
Provisions & Others	80,074	98,702	99,848	106,599	112,998
Net Current Assets	78,887	96,824	108,555	127,182	151,097
Other Non Current Assets/ROU Assets	61,852	66,075	66,101	69,448	72,621
Total - Assets	299,632	326,855	334,752	358,718	387,693

Source: Company, JM Financial

DuPont Analysis					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Margin (%)	8.0	8.9	10.8	11.5	11.5
Asset Turnover (x)	1.7	1.7	1.8	1.9	1.9
Leverage Factor (x)	1.1	1.1	1.1	1.1	1.1
RoE (%)	15.1	17.1	22.6	24.7	24.4

Source: Company, JM Financial

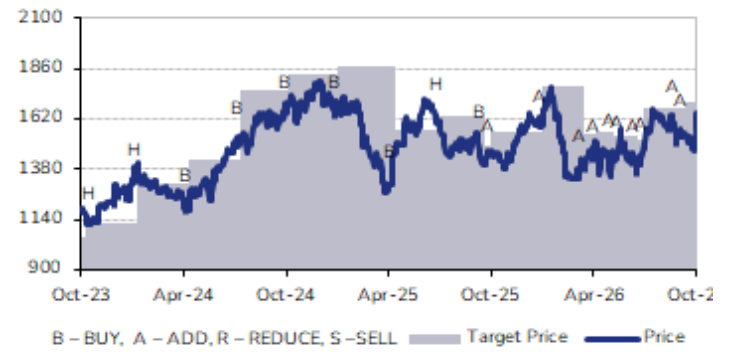
Key Ratios					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
BV/Share (INR)	322.9	348.0	352.5	378.0	409.3
ROIC (%)	17.4	22.4	28.2	29.0	28.6
ROE (%)	15.1	17.1	22.6	24.7	24.4
Net Debt/Equity (x)	-0.2	-0.2	-0.2	-0.2	-0.2
P/E (x)	34.4	30.4	20.8	18.3	17.2
P/B (x)	5.1	4.7	4.7	4.4	4.0
EV/EBITDA (x)	22.3	17.2	13.4	12.5	11.7
EV/Sales (x)	2.9	2.7	2.4	2.2	2.1
Debtor days	109	119	111	117	123
Inventory days	-	-	-	-	-
Creditor days	-	-	-	-	-

Source: Company, JM Financial

TECHM – Recommendation history table

Date	Recommendation	Target Price	% Change
26-Sep-26	ADD	1,705	2.1
11-Sep-26	ADD	1,670	0.0
16-Jul-26	ADD	1,670	9.5
1-Jul-26	ADD	1,525	-1.0
4-Jun-26	ADD	1,540	0.0
19-May-26	ADD	1,540	-1.0
22-Apr-26	ADD	1,555	0.3
29-Mar-26	ADD	1,550	-12.9
17-Jan-26	ADD	1,780	14.1
15-Oct-25	ADD	1,560	4.7
1-Oct-25	BUY	1,490	-8.6
17-Jul-25	HOLD	1,630	3.8
25-Apr-25	BUY	1,570	-16.0
18-Jan-25	BUY	1,870	2.2
20-Oct-24	BUY	1,830	4.0
26-Jul-24	BUY	1,760	23.1
26-Apr-24	BUY	1,430	9.2
25-Jan-24	HOLD	1,310	17.0
26-Oct-23	HOLD	1,120	5.7
27-Jul-23	HOLD	1,060	

TECHM – Recommendation history chart



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating	Meaning
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