

# HCLTech CEO expects advanced AI services to soften revenue impact

By Shristi Achar & Surabhi Agarwal, ETtech | Last Updated: Apr 23, 2026, 11:07:00 AM IST

## Synopsis

The third largest service provider outperformed its peers, Tata Consultancy Services and Wipro on the count of revenue and profit in its fourth quarter results for FY26 but missed street estimates and slashed its revenue guidance for FY27, triggering a selloff of its shares that fell over 10% on Wednesday on the National Stock Exchange.



ET AI Briefing

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HCLTech CEO C Vijayakumar

While HCLTech is estimating a 2%-4% [AI-led deflation](#) in its annual revenue, chief executive C Vijayakumar is optimistic about the newer areas of services that AI is bringing in. Even as geopolitical and macroeconomic uncertainties persist, cramping discretionary spending, the CEO expects its advanced AI services to soften the impact and grow faster at 25%-30%.

"Uncertainties are there, but clients are spending on AI. Everybody wants to scale AI within their enterprises, from small projects to enterprise-wide scaling in areas like data security, cloud modernisation and physical AI-led services," Vijayakumar told ET in an interview.

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[Services](#) and [Wipro](#) on the count of revenue and profit in its fourth quarter results for FY26 but missed street estimates and slashed its revenue guidance for FY27, triggering a selloff of its shares that fell over 10% on Wednesday on the National Stock Exchange.

He said demand for data centres would be strong as India could be the largest consumer of AI, adding that IT firms will need to look at newer solutions and services to cushion the disruption caused by AI.

"In the tech vertical, big data centre investments and associated services seem to be going strong. It is a big opportunity, especially in India, because it will be one of the largest consumers of AI. Fundamentally, it's a very prudent kind of business opportunity," he added. However, Vijayakumar did not specifically comment on whether HCLTech will foray into this segment like its larger peer Tata Consultancy Services ([TCS](#)).

While AI-led deflation has shrunk deal sizes, its less about pricing pressures and more about needing less effort to deliver services, Vijayakumar said. "The total contract value (TCV) has remained flat despite deal sizes becoming smaller. That should be looked at as a very positive factor."

The company's deal bookings for FY26 were \$9.32 billion, compared with \$9.26 billion in FY25.

Vijayakumar highlighted the need to build services and solutions around new areas of tech spending, thinking differently than the traditional business model.

"We will need to have a nonlinear thinking, a more solution and IP-led approach. We've always been used to a very asset-light model, but sometimes you don't need to stick to that," he said.

While the company is evaluating investments in startups and AI companies, Vijayakumar did not divulge details on any potential plans.

While client-specific issues in the telecom sector and sluggishness in its software business led to a muted performance in Q4, the company sees its US business resilient, even as it expects Europe business to be moderated, owing to the second-order impacts of the West Asia conflict.

The acquisitions of US-based Jaspersoft and Hewlett Packard Enterprise's Telco Solutions business, for \$240 million and \$160 million respectively, are yet to be closed due to delays in regulatory approvals. Once concluded, they are expected to add another 1.5% to their annual revenue.

However, the acquisitions are not a revenue play for HCLTech. "Our acquisition strategy is largely focused on building new capabilities. Finergic, for instance, is extending our asset management solutions, while Wobby is an Agentic AI assistant for data with a semantic layer," he said, adding that the

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company will be looking for companies with AI-led services and AI-driven software products.

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