Dated: 10 June 2026

# Infosys (INFO) - BUY

## Company Update

| Current Market Price (CMP) | Fair Value (FV) |
|---|---|
| **Rs.1180** | **Rs.1440** |

## Rationale:

- Infosys's annual report provides a few interesting insights.
- Sluggish growth in the BPO business with further margin decline.
- Further deterioration in the employee mix, with a higher skew toward mid-level employees; a sharp increase in learning hours.
- Robust growth in UK & Australian consulting arms.
- Mixed acquisition performance.
- A sharper decline in attrition rates in mid- and senior levels.
- Continuation of the healthy average wage increase for India-based employees, even as median remuneration increases moderately.
- Retain BUY; FV of Rs1,440.

### Positives:

- Growth rebound in McCamish driven by third-party software sales.
- Integrating AI into enterprise systems will be a huge opportunity.
- Revenue grew 5.2% yoy in Edgeverve subsidiary.
- Reasonable revenue growth in Stater aided by ramp up of large deals.

### Negatives:

- Aggregate revenue across Infosys' acquired entities (based on subsidiary financials) declined 1.4% in FY26.
- Revenue declined in Fluido, Oddity, Infosys Nova (ex-MRE Consulting).

(AI: Artificial Intelligence, BPO: Business Process Management)



Holding Period: 12 months

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## RATING SCALE (PRIVATE CLIENT GROUP)

### Definitions of ratings

**BUY** – We expect the stock to deliver more than 15% returns over the next 12 months

**ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months

**REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months

**SELL** – We expect the stock to deliver < -5% returns over the next 12 months

**NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

**SUBSCRIBE** – We advise investor to subscribe to the IPO.

**RS** – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

**NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable

**NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.

**NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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