

Pick of the Week

BUY – TCS(TCS)

CMP: ₹3106 as on 17 Nov2025

Fair Value (FV): ₹3550

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Time Period: 12 months

Why Invest?

- TCS sees the significant demand-supply mismatch in the Indian colocation data center market as an attractive adjacent opportunity for a scaled player.
- Hyperscalers and emerging AI companies to be primary drivers of demand.
- TCS can tap into the rapidly growing demand, leveraging its strong services capabilities, offering an end-to-end solution for clients.
- The focus is on AI data center builds for hyperscalers and emerging AI companies.
- Tata Group's synergies would be leveraged to set up 1 GW passive data center capacity in a phased manner in the next 5-7 years.
- TCS trades at ~10% discount to its long-term mean valuations.

Maintain BUY with

FVRs-3550

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- BUY

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We expect the stock to deliver more than 15% returns over the next 12 months
- ADD

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We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE

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We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL

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We expect the stock to deliver < -5% returns over the next 12 months
- NR

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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

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We advise investor to subscribe to the IPO.
- RS

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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 The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.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

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Not Available or Not Applicable. The information is not available for display or is not applicable
- NM

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Not Meaningful. The information is not meaningful and is therefore excluded.
- NOTE

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

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