

Pick of the Week

BUY – TCS(TCS)

CMP: ₹3106 as on 17 Nov2025

Fair Value (FV): ₹3550 | Time Period: 12months

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	- 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.
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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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