

Weighted Average Cost of Capital

All Figure in INR unless stated otherwise.

Peer Comps

Name of the Comps	Country	Total Debt	Total Equity	Tax Rate ¹	Debt/ Equity	Debt/ Capital	Levered Beta ²	Unlevered Beta ³
TCS	India	9,046.0	13,04,736.6	30.00%	0.69%	0.69%	0.89	0.88
Infosys	India	8,221.0	6,52,332.3	30.00%	1.26%	1.24%	0.90	0.90
HCL Technologies	India	5,791.0	4,32,151.2	30.00%	1.34%	1.32%	0.86	0.86
Wipro	India	19,282.2	2,74,631.8	30.00%	7.02%	6.56%	0.99	0.94
Tech Mahindra	India	2,035.1	1,38,845.8	30.00%	1.47%	1.44%	0.90	0.89
Average				30.00%	2.36%	2.25%	0.91	0.89
Median				30.00%	1.34%	1.32%	0.90	0.89

Cost of Debt

Pre-Tax Cost of Debt	8.79%
Tax Rate	30.00%
Post Tax Cost of Debt	6.15%

Cost of Equity

Risk Free Rate	6.58%
Equity Risk Premium	8.75%
Levered Beta ⁴	0.91
Cost of Equity	14.53%

Capital Structure

		Current	Target
Total Debt	9,046.0	0.69%	2.25%
Market Capitalization	13,04,736.6	99.31%	97.75%
Total Capital	13,13,782.6	100.00%	100.00%
Debt/Equity		0.69%	2.30%

Levered Beta

Comps Median Unlevered Beta	0.89
Target Debt/Equity	2.30%
Tax Rate	30.00%
Levered Beta	0.91

Weighted Average Cost Of Capital

Cost of Equity	14.53%
Equity Weight	97.75%
Cost of Debt	6.15%
Debt Weight	2.25%
WACC	14.34%

Notes:

1. Tax Rate considered as Marginal Tax Rate for the Country
2. Levered Beta is bases on 5 year monthly data
3. Unlevered Beta = Levered Beta / (1 + (1 - Tax Rate) * Debt/Equity)
4. Levered Beta = Unlevered Beta * (1 + (1 - Tax Rate) * Debt/Equity)