Cognizant shows growth stability under CEO Kumar

AVIK DAS
Bengaluru, 2 November

The turnaround under CEO Ravi Kumar appears to gather steam as the firm regains market share

Cognizant's strong third-quarter performance — marked by higher growth and a sharply raised revenue guidance — signals that the US-based IT firm is stabilising after years of turmoil. With this momentum, Cognizant is now poised to widen its lead over Infosys by nearly a billion dollars, reversing a trend that had seen the gap between the two narrow sharply over the past few years.

Just three years ago, Infosys had almost caught up, reducing the revenue difference from $3 billion to just a few hundred million dollars. But Cognizant's revenue at the end of its fiscal year (December 2024) stood at $19.7 billion, compared to Infosys' $19.28 billion for the year ended March 2025 — and that gap is now set to grow.

The Nasdaq-listed company, once a bellwether under its first CEO Francisco D'Souza, had stumbled in recent years under Brian Humphries, struggling with high attrition, leadership churn, slowing deal wins, and stagnant growth. c, sustains large-deal momentum, and gradually expands margins.

Cognizant has raised its revenue growth guidance for FY25 to 6–6.3 per cent in constant currency, up from the earlier 4–6 per cent range, driven by increased client spending to modernise digital infrastructure with AI-led solutions. Growth has been broad-based across business segments and geographies.

"This is a genuine turnaround story for Cognizant under Ravi," said Phil Fersht, CEO of HfS Research. "The company has moved from a period of drift to a clear growth trajectory, improving margins, leadership confidence, and client engagement. Ravi has rebuilt Cognizant's execution rhythm, stabilised delivery, and re-energised the culture around purpose and performance. The result is a company that is now competing aggressively with Infosys and TCS rather than playing catch-up."

Analysts attribute the turnaround to focused investments in AI productivity and automation tools, improved delivery efficiency, large-deal wins, and a deeper wallet share in key verticals such as healthcare, BFSI, and life sciences. The company is also shifting gradually towards outcome-based and transaction pricing models, strengthening operational discipline, and protecting margins.

"Cognizant is proactively targeting CFO spend of business processes in addition to the typical CIO spend by bundling services. This aligns with clients' priorities around agent-based delivery of business processes. It is also selectively investing in large GCC opportunities," said Yugal Joshi, partner at Everest Group.

Still, challenges remain. Analysts cautioned that Cognizant must accelerate growth further and lift its operating margin from the current 15 per cent closer to 20 per cent to match peers. Despite a 16 per cent rise in its stock price since Kumar took charge, the share trades roughly at 2019 levels, with a P/E ratio of 14.5 — well below those of TCS, Infosys, and Accenture, which hover above 20.

"Cognizant is a Tier-I company in terms of revenue, but Tier-II when it comes to margins," said another analyst. "When margins are low, you need to leverage that for higher growth. And if 30 per cent of your code is being written by machines, your revenue per employee should reflect that — otherwise, it suggests most of the efficiency gains are being passed on to clients."

Saudi Arabia's flyadeal to start India flights in Q1 of 2026: CEO

Bullish on the fast-growing Indian aviation market, Saudi Arabia's no-frills carrier flyadeal will start flights to Indian cities, including Mumbai, from the first quarter of 2026.

The airline's CEO, Steven Greenway, told *PTI* that India is one of the "most hyper-competitive markets" in the world and there is a need to have an "absolute, brutal focus on unit cost". A sister company of Saudia Airlines, the Jeddah-based profitable flyadeal has been flying for over eight years and expects to have 46 planes in its fleet by the end of this year. Currently, the carrier has 42 A320 family aircraft and has also placed orders for 10 wide-body A330 Neos that are expected to start coming in from July 2027. Saudi Arabia and India have a significant domestic aviation market, and flyadeal connects 25 destinations in its home country. PTI

Akasa Air will consider flights to Kenya, Egypt, other nations: CEO

Akasa Air will consider operating flights to Kenya, Ethiopia, Egypt and some other countries, and the three-year-old airline now feels "very good" about the delivery schedule for its Boeing planes, said its CEO Vinay Dube.

Stressing that Akasa Air's international expansion will continue on the right path, Dube, also the founder, said the airline will shortly announce flights to Sharjah.

The airline has a fleet of 30 Boeing 737 MAX planes and expects to add "more than one aircraft" this year. "Our aircraft are capable of hitting the shores of East Africa, absolutely it can go to Mauritius and on the southern side, it can go to Kenya, Ethiopia, Egypt. We can (also) go into Kazakhstan, Uzbekistan. Boeing 737 MAX is also capable of going deep into South Asia., All will be considered," said Dube. PTI

Dubai's kids entertainment brand to debut in India in '26

Boo Boo Laand in Dubai Mall opened in October 2024 and spans 25,000 sqft

ROSHNI SHEKHAR
Mumbai, 2 November

Kids' luxury entertainment space, Boo Boo Laand, which is present in Dubai Mall, is expected to enter India by 2026, with its first launch in Mumbai's Jio World Plaza, a luxury shopping mall.

An indoor luxury entertainment venue, Boo Boo Laand has interactive activities for children, aged between one to eight years, including play zones and various creative workshops. Looking at the growth story of India and seeing the consumer spending pattern in the country, Salil Malik, managing director of Boo Boo Laand, told *Business Standard* that he feels this is the right time to enter the market.

"After doing a feasibility study, we figured there is a huge gap in the market for high-end luxury kids' entertainment. The deal (for Mumbai) has already been signed. We are also planning to have venues in New Delhi, Bengaluru, Hyderabad, and Chandigarh," he said, adding that the brand's parent company, Imperial One, will invest ₹110 crore in the next three years for its expansion in the Indian market.

Boo Boo Laand's venue in Mumbai will span 12,000 square feet (sqft). Globally, Boo Boo Laand is present in Dubai Mall with a 25,000 sqft space, which opened in October 2024. In one year, Boo Boo Land in Dubai saw more than half a million guests.