

Company Background

Tata Consultancy Services Ltd. (TCS) is a leading global IT services consulting and business solutions organization, headquartered in Mumbai. TCS founded in 1968 is a part of Tata Group, one of India's most respected business conglomerates and most respected brands. TCS is one of the largest Indian companies by market capitalization. It operates in 46 countries and is placed among the most valuable IT services brands worldwide.

The company offers a range of IT services outsourcing and business solutions. They also offer IT infrastructure services, business process outsourcing services, engineering and industrial services, global consulting and asset leveraged solutions. Their segments include banking financial services and insurance; manufacturing; retail and distribution and telecom.

Buyback Details

- **Maximum number of fully paid up equity shares to be bought back** – 53,333,333
- **Percentage of Buyback in the paid-up share capital of the Company** – 1.42%
- **Buyback price per share** – Rs. 3,000 for each fully paid equity share.
- **Total Buyback consideration** – An aggregate consideration not exceeding Rs. 16,000 crore excluding transaction costs
- **Buyback Mechanism** – The buyback is proposed to be made from the shareholders of the Company on a proportionate basis under the tender offer route using the stock exchange mechanism in accordance with the provisions contained in the SEBI (Buy Back of Securities) Regulations, 1998 (hereinafter referred to as the "Buyback Regulations") and the Companies Act, 2013 and rules made thereunder.
- **Eligibility for participation in buyback** – Shareholders who hold equity shares as on the record date.
- **Record date for Buyback – Not Yet Announced**
- *Markets regulator Securities and Exchange Board of India has made it mandatory to reserve 15% of the offer for retail investors with holdings up to Rs. 2 lakh in the company. These shareholders typically own a fraction of the company's shares, which essentially means higher acceptance ratio for retail shareholders.*

Following are the Key Market Indicators as on October 30, 2020 and Pre-Buyback summarized shareholding pattern:

TCS Ltd.	
INDUSTRY	IT - Software
Price (30/10/2020)	2,664.85
Latest Reserve (Rs. Crs)	93,966.00
Latest EV (Rs. Crs)	998,393.39
Book Value (Rs)	251.42
EPS (Rs.)	81.68
Face value (Rs)	1.00
Mkt. Cap (Rs. Crs)	9,99,954.24
P/E (x)	32.62
P/BV (x)	10.6
52 W H/L (Rs.)	2,885.00 / 1,504.40
Avg. Monthly Volume	6,867,590
Dividend Yield %	2.74

Shareholding Pattern as on September,30 2020	No. of Shareholders	No. of Shares	% of Shares
Promoters	5	2,703,542,000	72.05
Indian Financial Institutions/ Banks/MF	140	297107227	7.93
FII's/FPI's/NRIs/ Foreign National and OCB	1418	600369275	16.00
Resident Individual and others	884380	130433389	3.48
Clearing Members	482	2312173	0.06
Bodies Corporate/LLP/Trust/NBFC	3346	18620642	0.5
Total	889771	3,752,384,706	100

The Buyback price represents a premium of ~12.58% over the CMP of Rs. 2664.85. At current market price the stock trades at ~10.6 times of the consolidated Book Value per Share of the company.

We recommend investors to participate in the Buyback.

Aum Capital RESEARCH DESK

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