



# Common Stocks and Uncommon Profits

By Diksha Sharma

## TATA CONSULTANCY SERVICES



Latest

Best Buy

10.06.2021

### Premium Coverage

TCS is an Indian multinational information technology (IT) services and consulting company, headquartered in Mumbai, Maharashtra, India and largest campus and workforce in Chennai, Tamil Nadu, and India. As of May 2021, TCS is the largest company in the IT sector in the world by market capitalization of \$169.2 billion. It is a subsidiary of the Tata Group and operates in 149 locations across 46 countries. Tata Consultancy Services is now placed among the most valuable IT services brands worldwide. Tata Consultancy Services is an IT services, consulting and business solutions organization that has been partnering with many of the world's largest businesses in their transformation journeys for over 50 years. TCS offers a consulting-led, cognitive powered, integrated portfolio of business, technology and engineering services and solutions. This is delivered through its unique Location Independent Agile™ delivery model, recognized as a benchmark of excellence in software development. As of 2018, it is ranked eleventh on the Fortune India 500 list. In April 2018, TCS became the first Indian IT company to reach \$100 billion in market capitalization, and second Indian company ever (after Reliance Industries achieved it in 2007) after its market capitalization stood at ₹6,79,332.81 crores (\$102.6 billion) on the Bombay Stock Exchange.

- The profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2020 and FY 2019 was `32,447 crore and `31,562 crore respectively. The PAT attributable to shareholders for FY 2020 was `32,340 crore registering a growth of 2.8 percent over the PAT of `31,472 crore for FY 2019.
- On an unconsolidated basis, the revenue for FY 2020 was `131,306 crore, higher by 6.6 percent over the previous year's revenue of `123,170 crore in FY 2019. The PAT attributable to shareholders for FY 2020 was `33,260 crore registering a growth of 10.6 percent over the PAT of `30,065 crore for FY 2019.
- In FY 2021, TCS had an order book of \$31.6 billion, 17% higher than the previous year. Very importantly, these are not just large plain vanilla outsourcing deals, but also higher-value G&T deals. Every year, we close several very large transformational deals.
- This shows that TCS is the best buy because company is at its best, not only in providing services but also provide valuable dividends to its shareholders. The company has no D/E ratio, also the PE and EPS is stable and rising from last 5 years.

## COMPANY DETAILS

CIN	L22210MH1995PLC084781
Company Name	TATA CONSULTANCY SERVICES LIMITED
Company Status	Active
RoC	RoC-Mumbai
Registration Number	84781
Company Category	Company limited by Shares
Company Sub Category	Non-govt company
Class of Company	Public
Date of Incorporation	19 January 1995
Age of Company	26 years, 4 month, 22 days

## BOARD OF DIRECTORS

DIN	Director Name	Designation	Appointment Date
03611983	PRADEEP KUMAR KHOSLA	11/01/2018	01 January 1970
00121863	CHANDRASEKARAN NATARAJAN	Director	06 September 2007
07006215	GANAPATHY SUBRAMANIAM NATARAJAN	21/02/2017	01 January 1970
06365813	RAJESH GOPINATHAN	21/02/2017	01 January 1970
00548091	OM PRAKASH BHATT	Director	02 April 2012
08326836	DANIEL HUGHES CALLAHAN	10/01/2019	01 January 1970
07121802	AARTHI SUBRAMANIAN	Director	12 March 2015
08035439	HANNE BIRGITTE BREINBJERG SORENSEN	Director	18 December 2018
00008886	KEKI MINOO MISTRY	Director	18 December 2018

### Non-Independent, Non Executive



**N Chandrasekaran**  
Chairman  
C C M

**Aarthi Subramanian**  
M M

### Independent, Non Executive



**O P Bhatt**  
C M M

**Don Callahan**  
M M

**Keki M Mistry**  
C C M

### Non-Independent, Executive



**Rajesh Gopinathan**  
CEO & MD  
M M M

**N G Subramaniam**  
COO  
M M



**Dr Pradeep Kumar Khosla**  
C M

**Hanne Birgitte Breinbjerg Sorensen**  
M M

## Why we like TCS?

Tata Consultancy Services (TCS), a leading global IT services, consulting, and business solutions organization, has been positioned as a Leader in the Everest Group. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled services delivered through its unique Global Network Delivery Model, recognized as the benchmark of excellence in software development..The company also engaged in the business of Telecom, Retail and Distribution, Banking, Financial Services and Insurance.

## What is special about TCS?

“TCS is honored to be recognized as one of the Top 10 Companies with the Best Business Outlook by Glassdoor,” said Surya Kant, President, North America, and UK & Europe. TCS is a values-driven organization that not only invests in the success of its people but also empowers and encourages them to make positive contributions in their communities across the world.

## Why you should buy TCS now?

In terms of dollar revenue, largecap companies **will** deliver between 4% to 6% revenue growth and in rupee currency terms it **will** be around 13.5% to 15.5% kind of revenue growth. **TCS** numbers are quite in line with expectations. Their deal wins are touching a new peak. Even the EBITDA margins are very much stable.

## Want to invest in Tata Consultancy Services stock?

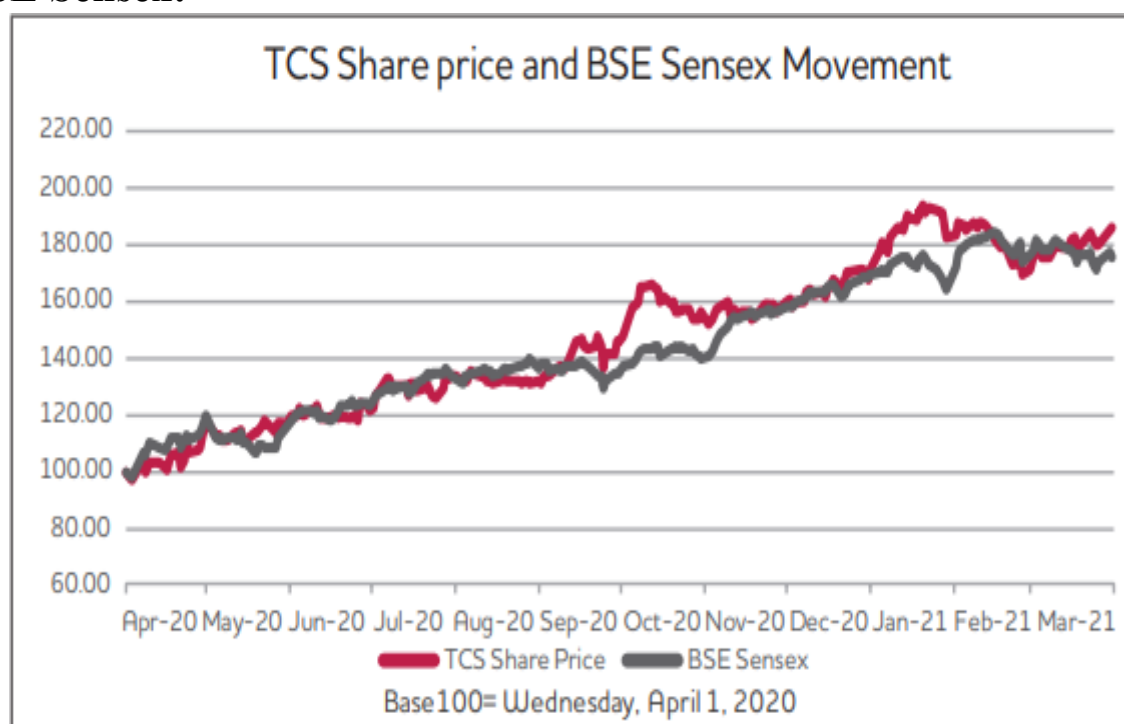
Investors who have taken a long term view on the Tata Consultancy Services (TCS) stock should remain invested in this stock because the prices are expected to rise and according to company's financial position, company is regular in its growth.

- Company is almost debt free.
- Company has a good return on equity (ROE) track record: 3 Years ROE 41.59%
- Company has been maintaining a healthy dividend pay-out of 55.05%
- The company said that the board recommended a final dividend of ₹15 per equity share
- The company's revenue grew 9.4% (2021)
- Its Q4 Order Book stands at \$9.2 billion; highest ever TCV in a quarter.

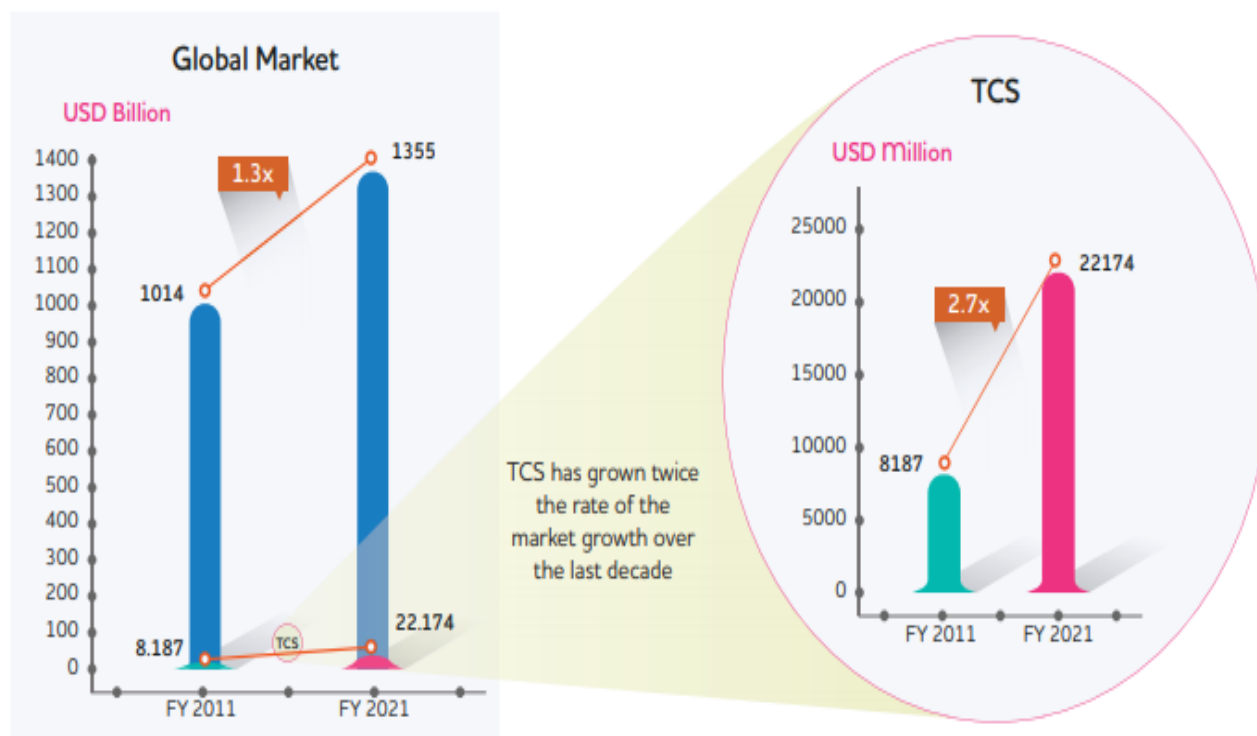
## How many outstanding shares TCS have?

As of March 31, 2021, TCS had 3,699,051,373 shares outstanding.

## Performance of the share price of the Company in comparison to the BSE Sensex:






## TCS has Grown Twice!



- Demand for services around remote connectivity, cyber security, collaboration tools, digitized processes, automation and cloud adoption, progressively strengthened in the course of the year.
- Very importantly, as consumers shifted to digital channels for most of their needs, enterprises realized the need to invest in enhancing customer experience. This significantly accelerated investments in digital transformation and cloud adoption. The global market for IT services continues to be a highly fragmented one, with even the largest provider having a mid-single digit market share.
- TCS is among the largest IT services providers globally, with a market share of 1.6%, and has significantly outperformed the market, growing at twice the rate of market growth over the last decade.
- This may be attributed to market share gains resulting from TCS' customer-centric strategy and organization structure, focused investments in building superior capabilities, better execution resulting greater customer satisfaction, and steadily expanding participation in customers' growth and transformation spends.

# TCS STRATEGY

 <b>Market Trends</b>	 <b>TCS Approach</b>	 <b>Outcomes</b>
<ul style="list-style-type: none"> <li>• More and more industries are leveraging technology to differentiate themselves</li> <li>• Customers want solutions to business problems and not just technology skills</li> </ul>	<ul style="list-style-type: none"> <li>• Position as a growth and transformation partner</li> <li>• More investment in research and innovation, co-innovation and collaboration</li> <li>• Domain-specific IP</li> <li>• Greater focus on contextual knowledge</li> <li>• Proactive solution selling</li> </ul>	<ul style="list-style-type: none"> <li>• Industry-defining mega deals</li> <li>• Thinner competitive set</li> <li>• Higher quality revenue</li> <li>• More fulfilling work; better retention</li> </ul>
<ul style="list-style-type: none"> <li>• Non-CIO buyers emerging in enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Full stakeholder services and solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of addressable market</li> <li>• More deeply embedded in customer's business; greater resilience and visibility</li> <li>• Higher profile, strategically more important engagements</li> </ul>
<ul style="list-style-type: none"> <li>• Transformational partners selected based on solution quality and time to market</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage TCS' contextual knowledge, Location Independent Agile, Machine First Delivery Model and Intellectual Property</li> </ul>	<ul style="list-style-type: none"> <li>• Thinner competitive set</li> <li>• Higher quality revenue</li> </ul>
<ul style="list-style-type: none"> <li>• Greater platformization of business</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of cloud based platforms and new business models</li> <li>• Leverage IP portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Large deals that improve business visibility</li> <li>• Expansion of addressable market</li> <li>• Frees up spends for systems of differentiation</li> </ul>
<ul style="list-style-type: none"> <li>• Pandemic disruption highlights need for operational resilience and enterprise adaptability</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of SBUWS</li> <li>• Greater focus on Location Independent Agile and MFDM</li> <li>• Promote operating model transformation using AI</li> </ul>	<ul style="list-style-type: none"> <li>• Highlights company's responsiveness</li> <li>• Market share expansion</li> </ul>

- TCS continually enhances its **human capital** by acquiring the best talent available in each of the markets it operates in, providing a supportive and vibrant workplace to engage that talent, investing in up skilling individuals with the latest technology skills, and giving them career paths matching their aspirations.
- A firm belief in organic talent development, and of investing in people, has helped TCS successfully navigate through multiple technology cycles over the last five decades, pivoting and adapting each time to build relevant new capabilities through reskilling of the workforce at scale and helping customers realize the benefits of emerging technologies.
- TCS uses its **intellectual capital** and **human capital** to build impactful, customized technology and business solutions that address the customer's business problems. Further, its ability to stitch together complex, holistic solutions that address the needs of all stakeholders in the enterprise, along with the high levels of trust engendered in

customer relationships, helps it win large transformation deals. These deals bring in high quality revenues, powering industry-leading organic growth and margins, boosting the company's **financial capital**.

## PERFORMANCE OVERVIEW

- The ability to attract, motivate, develop and retain talent is critical to TCS' continued success. The company's HR strategy is focused on attracting the best talent globally, reskilling and transforming the workforce.
- The progressive policies, continual investment in upgrading employees' skills and the philosophy of empowering individuals and helping them realize their potential have made TCS' HR processes and outcomes an industry benchmark.
- TCS also announced Vision 25x25, wherein by year 2025, only 25% of the workforce will need to be physically present in TCS offices at any point, and an employee needs to spend no more than 25% of their time in a TCS office to be 100% productive.
- This is expected to make a significant difference to employees' quality of life, open up opportunities to demographic segments disadvantaged by the current way of working, help enhance TCS' ability to attract and retain diverse talent further and reduce its environmental footprint.
- Employee health and wellbeing continued to be a key priority in FY 2021. In addition to existing health care benefits, which are a benchmark in the industry, the company launched several initiatives to help employees receive prompt medical attention.
- Besides a medical helpline, TCS partnered with leading healthcare chains to provide ambulance services, hospital admission assistance and home healthcare services to employees in India.
- TCS provided self-help resources and counselling services to help employees overcome mental and emotional challenges through the TCS Cares initiative.



# TCS SUITE OF PRODUCTS & PLATFORMS

TATA CONSULTANCY SERVICES

TCS iON

TCS BANCs

tcs ADD  
Digital Advantage for Life Sciences

ignio

tcs HOBS™

tcs Twinx™

jile

Omnistore™  
Unified Commerce

TCS  
Optumera  


TCS MasterCraft



## FEATURES OF PRODUCTS AND SERVICES

- Digitate's ignio helps resolve the operational woes for an Agile, Resilient and Autonomous Enterprise. Businesses can adapt to changes efficiently, evolve digitally and unleash innovation to sustain and grow. With ignio, transform your IT and business operations' from reactive to proactive, and take a leap forward to **'Predict, Prescribe and Prevent.'**
- Jile enables organizations to align strategy to team execution by providing a unified view from portfolios and programs to teams. Through its lean budgeting and allocation, Jile further helps the business stakeholders make wise investment decisions in response to business outcomes to achieve targeted business goals.
- TCS OmniStore™ is a unified commerce platform that completely revolutionizes the way customers shop and will be at the heart of everything you do. It serves as an antidote to retailers who had to contend with a patchwork of haphazard systems that fall short of meeting evolving customer expectations.
- TCS Optumera™ AI-powered retail optimization suite helps to optimize merchandising and supply chain decisions in an integrated manner. Unifies price, promotion and markdown decisions for sales growth, Predict the success of new style, set initial price right leveraging computer vision capabilities
- Data privacy will be of paramount importance to Indian organizations, as they strive towards compliance with the Personal Data Protection Act, when it comes into force. Indian organizations can ensure reliable and privacy-safe sharing and access of data through TCS MasterCraft™ DataPlus.
- TCS BaNCS Global Securities Platform is a single consolidated solution, certified by SWIFT, that comes with comprehensive functionality encompassing the entire capital markets value chain, helping both buy-side and sell-side firms implement robust, error-proof, STP-enabled, highly-scalable processes for trade processing, clearing and settlement, custody, portfolio accounting and corporate actions administration.
- With the TCS BaNCS Global Securities Platform, your financial institution can create a niche and differentiated value proposition for end-client servicing and operations -- be it through the extraction of right data to reimagine the operations workspace or the use of cognitive technologies such as AI, Machine Learning, predictive analytics for enhanced automation, intelligent insights and predictions.
- TCS ADD platform accelerates speed-to-market for pharmaceutical industry across the entire clinical R&D value chain and helps make clinical trials more agile and safe.
- TCS ADD enables digital ecosystems, simplifies data complexity and provides faster access to new and effective drugs for the patients. The platform is powered by cognitive artificial intelligence engine called TCS Decision Fabric™, smart analytics and IoT that provides superior business value to pharmaceutical industry.

- A solution that digitizes the entire clinical trial supply management process while putting the patient in the center, increasing patient's safety and overall efficacy.

## **TCS RANKED #1 FOR CUSTOMER SATISFACTION**

Tata Consultancy Services (TCS) (BSE: 532540, NSE: TCS), a leading global IT services, consulting, and business solutions organization, has been ranked Number One for Customer Satisfaction in the 2020 Swiss IT Sourcing Study.

Customers voted TCS to the top spot for the eighth consecutive year, with an overall satisfaction score of 79 percent, compared to the industry average of 73 percent. By IT domain: First in customer satisfaction in application development, maintenance, and testing.

This serves as proof of their long-term engagement in this market. In a very challenging environment for all companies, TCS showcased their capabilities, flexibility and agility in supporting their clients in their digital transformation efforts and proved to be a reliable and innovative partner.



## **TCS BRAND VALUE**

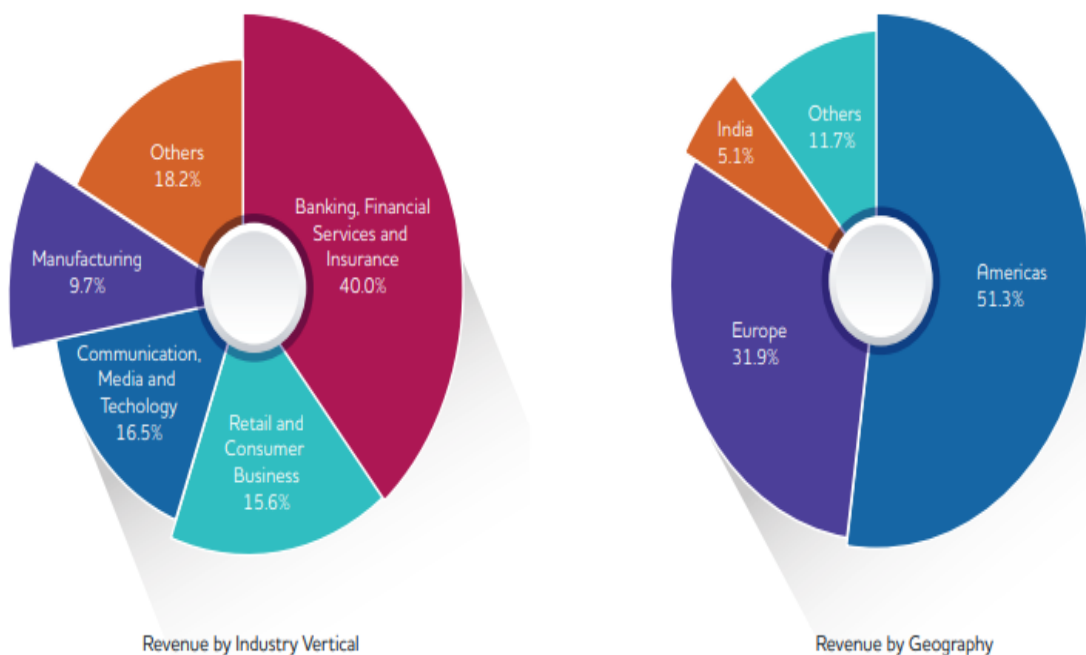
TCS' reputation for customer-centricity, domain depth and execution excellence have made it the preferred growth and transformation partner to leading corporations across the world. It is also recognized as a top employer brand across the major markets it operates in, including North America, Europe, UK, India, Latin America and Australia, among others.

Its purpose-driven community outreach and corporate social responsibility initiatives across the world have earned it local recognition and goodwill. The company's high standing in the investor community is evidenced by the top ranking it has been consistently receiving in surveys across Asia. The cumulative effect of all the goodwill and recognition from these different stakeholders, and concerted efforts by the company's marketing organization have helped put TCS among the Top 3 brands in IT Services by brand value.

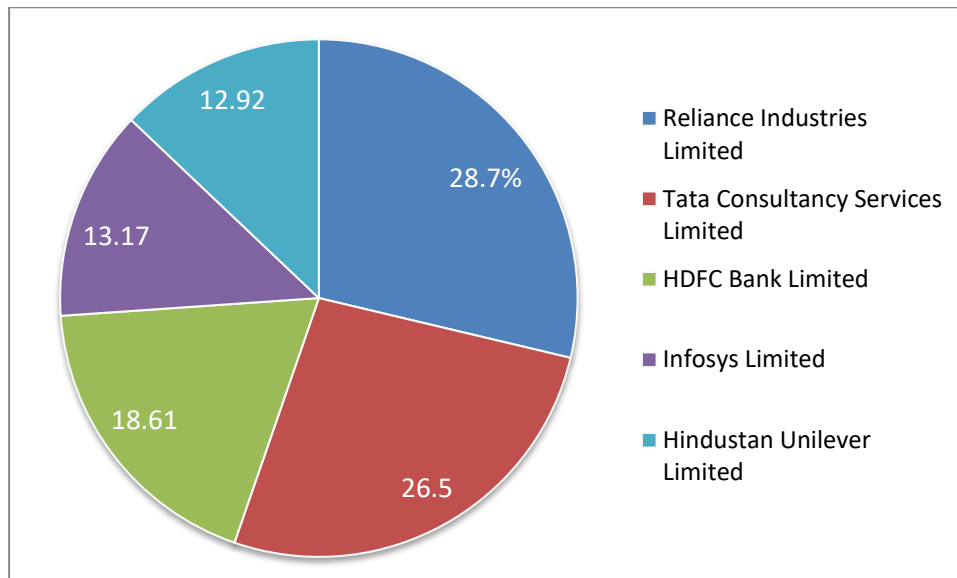
According to Brand Finance, TCS’ brand value grew by \$1.4 billion in FY 2021 , the highest absolute growth among the 25 companies assessed, that too in a challenging year when the brand value of IT services companies collectively dropped by 3 percent. Further, at 10 percent growth over the prior year, TCS has outperformed its other two peers among the Top 3 brands in IT services.



## REVENUE BREAK-UP

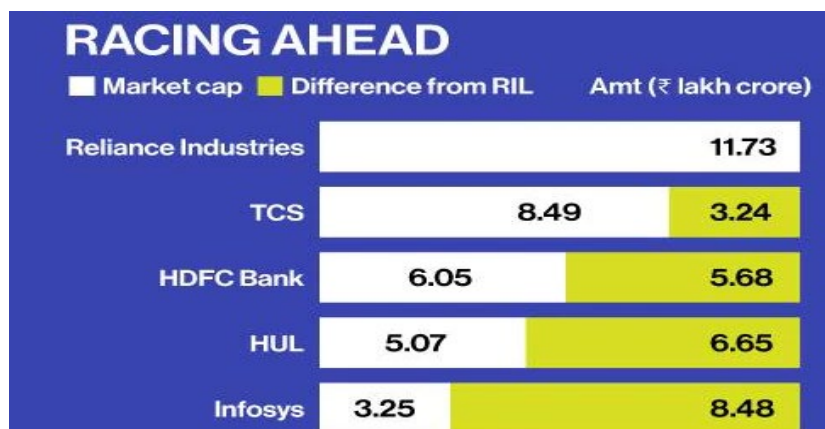


# MARKET SHARE



Reliance Industries market capitalisation was at Rs 11,68,454.02 crore, which was Rs 374.18 crore more than that of TCS' Rs 11,68,079.84 crore valuation on the BSE.

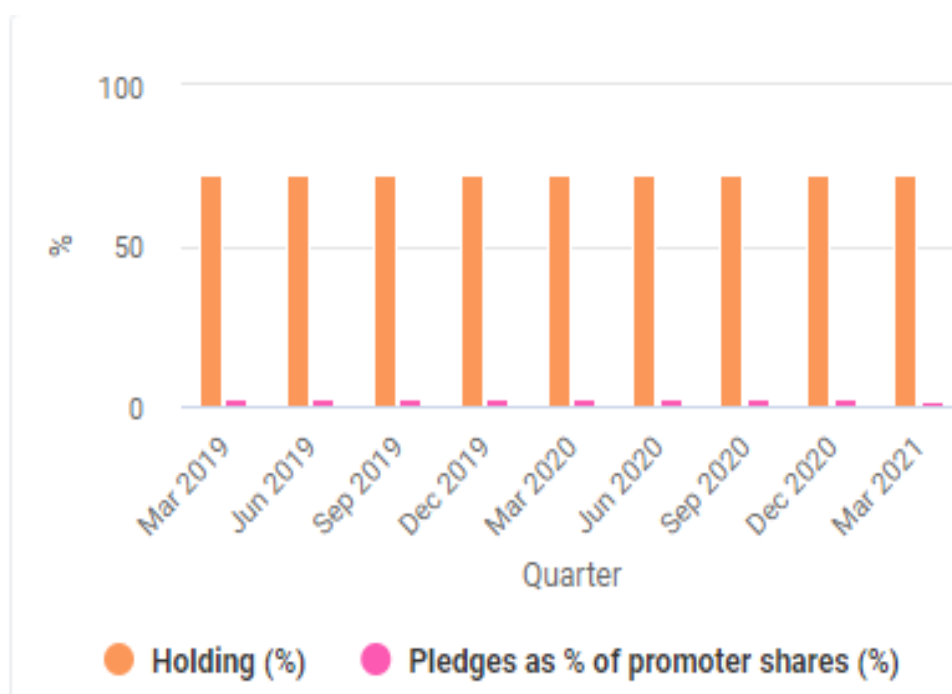
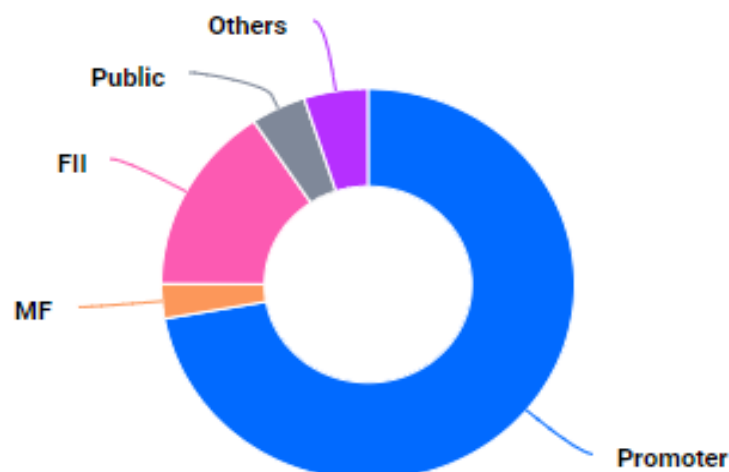
Mukesh Ambani-led Reliance Industries Ltd (RIL) is ahead of IT major TCS and other blue chip firms on bourses by at least Rs 3.24 lakh crore in terms of market capitalisation. While Reliance Industries market cap stood at Rs 11.73 lakh crore, market cap of TCS rose to Rs 8.49 lakh crore.



Both RIL and TCS have competed for the coveted status of the country's most valued firm in the past too.

Market capitalisation of companies changes daily with movement in their stock prices.

# SHARE HOLDING PATTERN



## Key Highlights:

- Promoters unpledged 2.47% of shares in last quarter. Total pledge stands at 0.47% of promoter holdings
- Promoters have increased holdings from 72.05% to 72.19% in Mar 2021 qtr.
- Mutual Funds have increased holdings from 2.73% to 2.85% in Mar 2021 qtr.
- Number of MF schemes increased from 40 to 41 in Mar 2021 qtr.

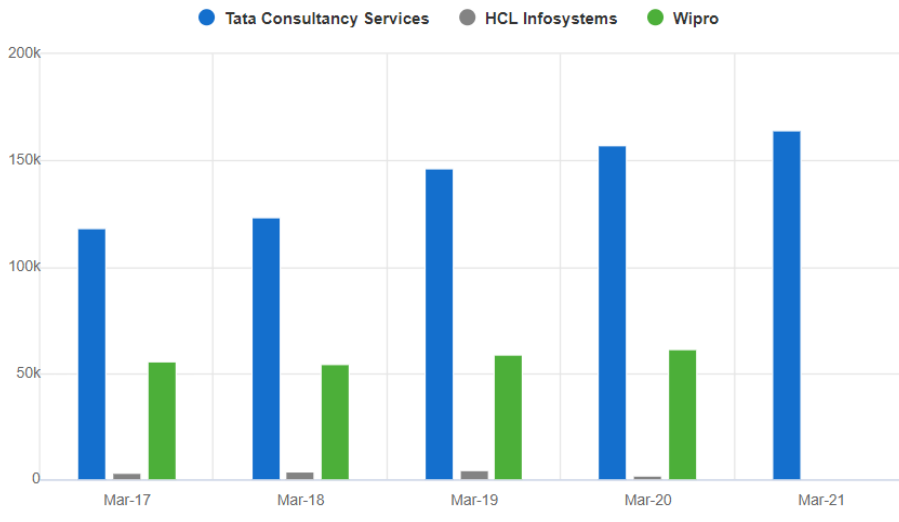
## COMPARITIVE ANALYSIS

Company Name	Market cap (₹ Cr.)	Revenue (₹ Cr.)	Net Profit (₹ Cr.)	Net Margin (%)	RoE (%)	Price to Earnings	Price to Book
Tata Consultancy Services	11,86,674	1,64,177	32,562.00	19.46	38.55	36.59	13.86
HCL Technologies	2,62,954	75,379	11,169.00	14.64	19.17	23.59	4.39
Infosys	6,03,078	1,00,472	19,423.00	18.85	27.52	31.17	7.94
Wipro	3,01,933	61,935	10,855.00	16.88	18.76	27.97	5.50

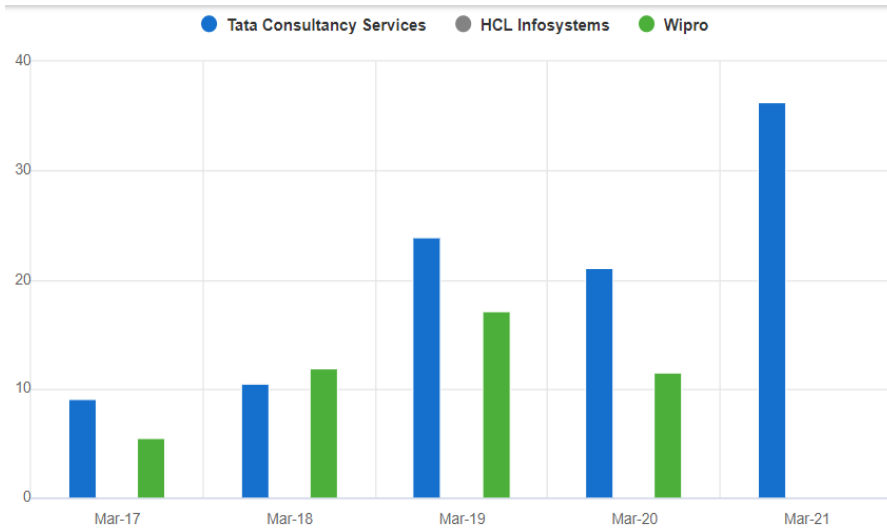
### Key Highlights:

- TCS market capitalisation among HCL, Infosys, and Wipro is the highest.
- After TCS, HCL is taking position in generating revenue.
- The net profit of TCS is the highest i.e. 32,562 crores.
- TCS is the one who gives the best return on equity at 38.55%
- Also P/E and P/B ratio of TCS is the highest among all.
- Conclusion: TCS is the best buy right now, as the company is generating revenue, strengthening its position for future.
- TCS is expected to maintain strong growth momentum led by deals in core transformation area and accelerated adoption of digital technologies.
- Free cash flow generation will remain strong with limited reinvestment requirements. It trades at PE of 27.8 xs on FY23 earnings.
- Initiate coverage on the stock with BUY.
- TCS is one of the best-positioned global IT services companies. The key positive surprise from the results was the very strong order book of \$9.2 billion. The management sees double-digit revenue with the current margin band beyond FY22.
- We believe TCS and other Tier-I IT companies will continue to deliver strong revenue momentum over the four-six quarters (translating into double-digit revenue growth) and thus would sustain current valuations of 25x-30x.
- The share touched a 52-week high of Rs 3,358.80 on April 9, 2021

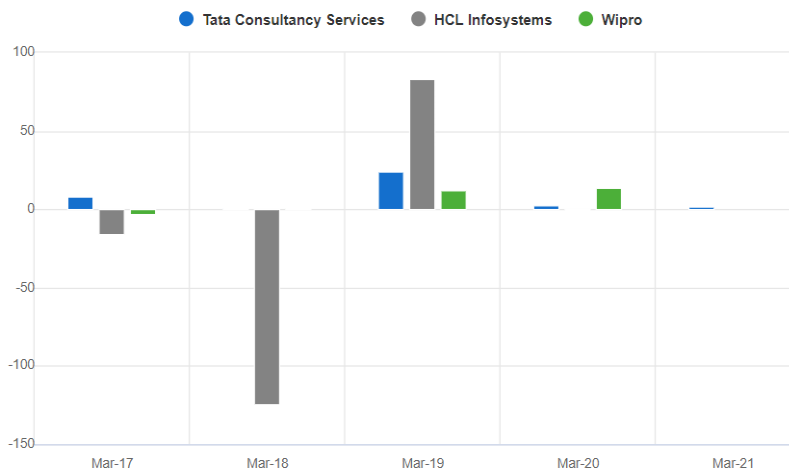
## Operating Revenue



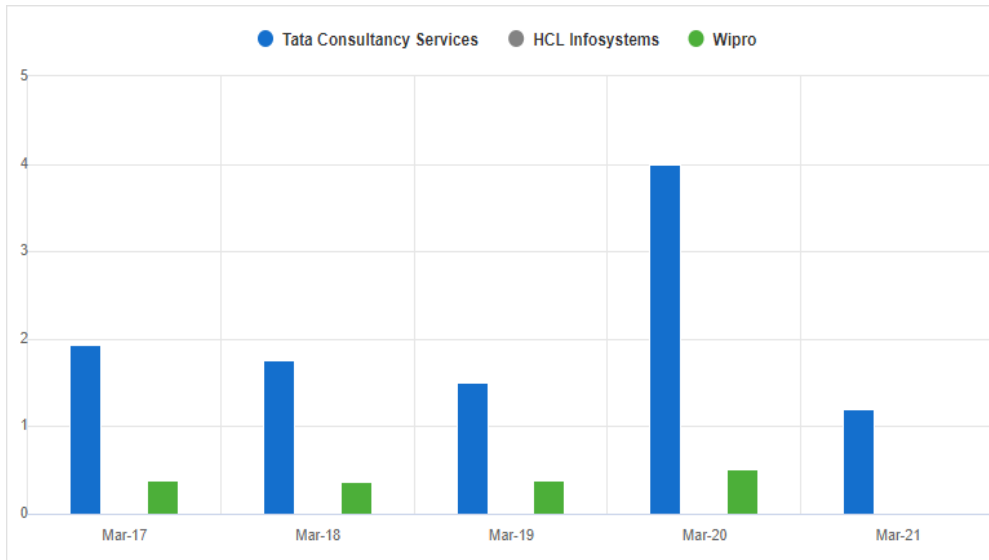
## Price to Earnings



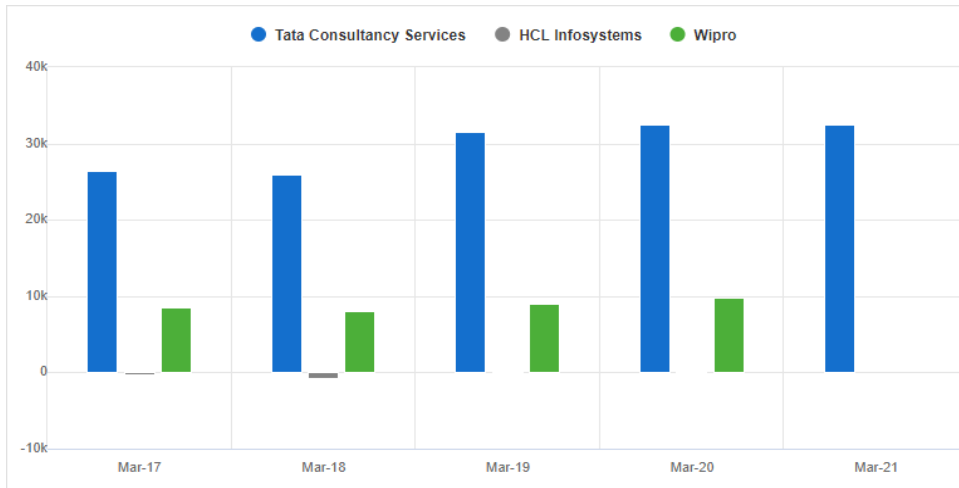
## EPS Growth



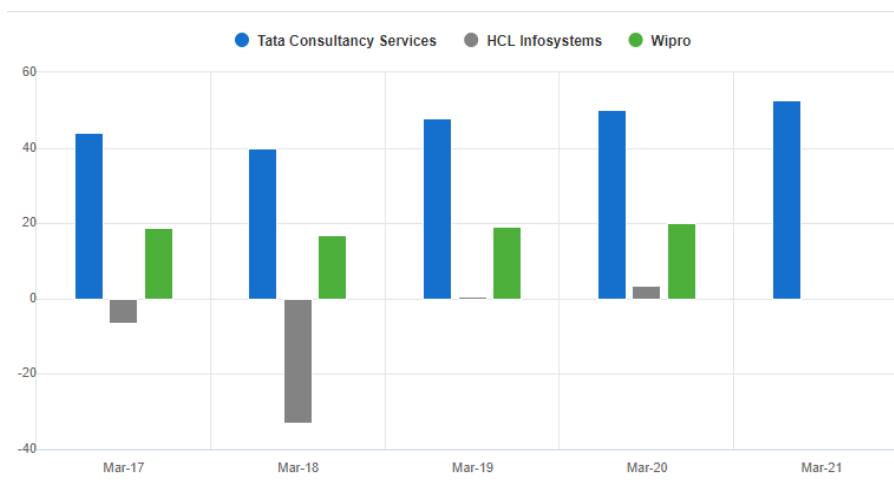
## Dividend Yield %



## PAT (Profit After Tax)



## ROCE





# SWOT ANALYSIS

## Strengths:

- **Huge Customer Base:** TCS serves clients in a variety of industries, including banking, financial services, retail, telecommunications, and media and entertainment. Exposure to diverse businesses dilutes the risks of a single market or industry's over-dependence. TCS is also serving the Government of India for Passport services.
- **Global Footprints:** TCS's presence across various markets in which the company has attempted to gain as much coverage as possible is its global footprint, which now stretches from North America, UK, Africa, Europe, and the Asia-Pacific regions. A presence in diversified geographical areas reduces corporate risk and provides TCS with a strong global image.
- **Strategic Partnership:** TCS established a strong partnership around the world with global enterprises. It worked with certain technological giants like Amazon, Adobe, Dell, Bosch, HP, etc. TCS offers both technologically sustainable and innovative business and strategic solutions through these partnerships.
- **Strong Service Portfolio:** TCS offers a strong and balanced service portfolio, which includes: application development and maintenance of Business Process Services (BPS), IT infrastructures, business intelligence, and more. Various business customers attract such a strong and diverse portfolio.
- **Good Returns on Capital Expenditure:** TCS is relatively successful at the execution of new projects and generated good returns on capital expenditure by building new revenue streams.
- Highly skilled workforce through successful training and learning programs. TCS is investing huge resources in the training and development of its employees resulting in a workforce that is not only highly skilled but also motivated to achieve more.

## Weaknesses:

- **Legal Judgements:** TCS engaged in a 2014 legal battle for alleged misuse of confidential information by Epic System against Epic Systems. In 2016, TCS was found to have been found guilty and charged \$940 million in damages. TCS opposed and rejected the judgement by the higher competence. Such events influence the company's image.
- **Diligent decrease in performance:** The TCS subsidiary Diligenta continuously operated below par. Diligenta. The enterprise is unlikely to improve performance quickly and therefore affect the bottom line of TCS.

## Opportunities:

- **Digital Transformation:** The world is digital and thus business dynamics are transforming the digital economy. The focus of TCS is to transform itself digitally and offer digital solutions. TCS should look forward to more spending on technology for digital transformation.
- **Increasing Demand for Cloud-Based Computing:** Digital technology and fast internet connectivity have emerged. In fact, in the next 5 years, expenditure on cloud services will increase in the next 19% in CAGR. The world is progressing toward cloud solutions. TCS

has a strong cloud-based infrastructure, and is, therefore, ready to benefit from the generated requirement.

- **Solutions from machine to machine (M2M):** M2M solutions enable both wireless and wired communications systems. For M2M solutions, there are positive prospects in the future, and revenues are expected to be high. TCS has a complete range of M2M services that enable the demand for M2M solutions to be taken advantage of.
- **Mobility Solutions:** Enterprise mobility solutions are expected to be driven by business applications with a growing mobile worker population and the increasing use of sophisticated mobile devices. The demand for mobility solutions is latent and is projected to increase by 24.7 percent in a CAGR until 2022. TCS is well-positioned to benefit from its growing focus on the development of enterprise mobility solutions.

### **Threats:**

- **Immigration and its Limitations:** Indian IT companies are expected to suffer as they increase their cost and impact profitability, and therefore pose a risk to the industry with immigration rules, increased H-1B visa fees, and changing political circumstances in the US.
- **Intense competition:** IT companies such as Infosys, Wipro, Cap Gemini, Deloitte, Accenture, etc. are faced with heavy competition. The result is price wars in the sector and the market share is limited.
- **High Attrition rate:** The Indian IT industry undergoes a high rate of attrition, which increases costs to provide new employees with skills and leadership development and also affects the company's image.

## **EQUITY INSTRUMENTS**

### **Authorised:**

460,05,00,000 equity shares of `1 each 460 460  
(March 31, 2020: 460,05,00,000 equity shares of `1 each)  
105,02,50,000 preference shares of `1 each 105 105  
(March 31, 2020: 105,02,50,000 preference shares of `1 each)

### **Issued, Subscribed and Fully paid up:**

369, 90, 51,373 equity shares of `1 each 370 375  
(March 31, 2020: 375, 23, 84,706 equity shares of `1 each)

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and

		(₹ crore)	
	As at March 31, 2021	As at March 31, 2020	
	460	460	
	105	105	
	<u>565</u>	<u>565</u>	
	370	375	
	<u>370</u>	<u>375</u>	

other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

### **Reconciliation of number of shares**

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity share balance	375,23,84,706	375	375,23,84,706	375
Buyback shares	(5,33,33,333)	(5)	-	-
Closing Balance	<b>369,90,51,373</b>	<b>370</b>	<b>375,23,84,706</b>	<b>375</b>

### **Gratuity and pension**

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust.

### **Earnings per Share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during year.

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year	30,960	33,260
Weighted average no.of shares	374,01,10,733	375,23,84,706
Basic/Diluted EPS	82.78	88.64
Face value	1	1

## Dividends

Dividends paid during the year ended March 31, 2021 include an amount of `6.00 per equity share towards final dividend for the year ended March 31, 2020 and an amount of `23.00 per equity share towards interim dividends for the year ended March 31, 2021. Dividends paid during the year ended March 31, 2020 include an amount of `18.00 per equity share towards final dividend



for the year ended March 31, 2019 and an amount of `67.00 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2020.

Dividends declared by the Company are based on the profit available for distribution. On April 12, 2021, the Board of Directors of the Company have proposed a final dividend of `15.00 per share in respect of the year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately `5,549 crores

Tata Consultancy Services Ltd. has declared 70 dividends since Oct. 28, 2004. In the past 12 months, Tata Consultancy Services Ltd. has declared an equity dividend amounting to Rs 38.00 per share.

At the current share price of Rs 3200.15, this results in a dividend yield of 1.19%.

## Special about TCS (Wow Moment)

Tata Consultancy Services (TCS) has announced a final dividend of Rs 15 per equity share to its shareholders. TCS, the country's largest IT major, said that the company's board has recommended a final dividend, taking the total dividend payout, including interim ones, to Rs 38 per share during FY21. The company had earlier paid interim dividends of Rs 5 per share, Rs 12 per share, and Rs 6 per share in the previous three quarters of the last fiscal.

PURPOSE	EX-DATE
Dividend - Rs 15 Per Share	25-May-2021
Interim Dividend - Rs 6 Per Share	14-Jan-2021
Buyback	26-Nov-2020
Interim Dividend - Rs 12 Per Share	14-Oct-2020
Interim Dividend - Rs 5 Per Share	16-Jul-2020

## The Dividend History of TCS

Year	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Dividend /Share (₹)	11.50	13.50	13	14	14	20*	14	25*	22	32	79*	43.50	47	50	30	73*	38**

\* Includes Special Dividend of ₹10, ₹8, ₹40 and ₹40 for FY2010, FY2012, FY2015 and FY2020 respectively

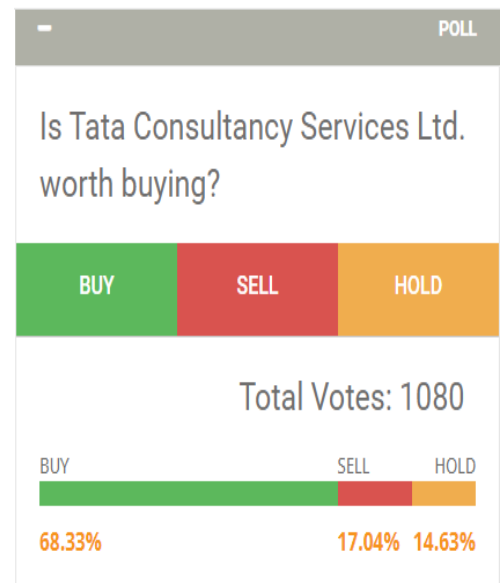
\*\* Includes proposed final dividend of ₹ 12, which is subject to the approval of the shareholders

### MARGINS IMPROVED IN FY 2021, BENEFITING FROM LOWER TRAVEL AND FACILITIES EXPENSES. HOW SUSTAINABLE IS THIS?

Specific to FY 2021, TCS started off with a very sudden ramp down in demand, our Q1 revenue reducing by 6.3% year on year in constant currency.

The second half of the year saw a sharp growth recovery, and the emergence of a multi-year growth cycle. TCS immediately rewarded employees with a normal salary hike in October and regular promotions, much ahead of the rest of the industry. They also invested significantly in Covid care and relief efforts, and contributed handsomely to the commitments by the Tata Group.

Looking ahead, TCS expect demand, revenue and operating costs to normalise and come back to our long term comfort zones. That, along with higher quality revenues from our expanding participation in the growth and transformation opportunity, greater operating efficiencies from continuing innovations to the delivery model – such as talent clouds – will help TCS to sustain in operating margin at current levels.



## **COVID Pandemic Year: Salary of TCS CEO Rajesh Gopinathan, COO NG Subramaniam rises by over 50% in FY21**

Top Tata Consultancy Services (TCS) executives' pay increased 55 percent in FY21 after the company executives took a moderate remuneration in FY20 on the back of the pandemic.

The company CEO Rajesh Gopinathan's remuneration increased 53 percent to Rs 20.4 crore in FY21 compared to the previous fiscal. This includes a salary of Rs 1.27 crore, benefits and allowances amounting to Rs 2.09 crore and Rs 17 crore in commission. Gopinathan took home Rs 13 crore in FY20 and Rs 16.04 crore in FY19.

TCS COO NG Subramaniam's remuneration increased 60 percent to Rs 16 crore in FY21 from Rs 10 crore in FY20. This includes Rs 1.21 crore in salary, Rs 1.9 crore in benefits and allowances and a commission of Rs 13 crore for FY21.

The company executives' last fiscal made a decision to moderate their remuneration to conserve resources in FY20. It resulted in a 15 percent decline last year in remuneration for the key executives.

That is why, TCS FY21 annual report said, the remuneration this fiscal cannot be compared to FY20.

## **Strong Business Momentum**

### **TCS enters into a strategic agreement with Prudential Financial Inc.**

Demand was driven by the confluence of two big trends. First, with consumers preferring contactless, digital transactions, enterprises were forced to rely more on their digital channels, and in some cases, switch entirely to online-only modes, triggering a lot of investment in not just front-end transformations and personalization of the customer experience, but also at the back end, to simplify and digitize processes, reduce turnaround times for customer service requests and enhance the end-to-end customer journey.

These trends resulted in a steady and strong flow of deals of all sizes, across all our industry verticals, throughout the year.

TCS had two large deal wins, with Deutsche Bank and with Prudential Financial Inc. respectively, this seems to strengthen the German presence and establish a strong local presence in Ireland. The order book signed every quarter was higher than that in the prior year. TCS closed the year with an all-time high quarterly TCV of \$9.2 billion. The full year order book was \$31.6 billion, our highest ever, representing a growth of 17.1% over the prior year.

## Partnering RBI in Building Payment Systems for Digital India

The Reserve Bank of India (RBI) has been the driving force in creating the nation's payment systems, operating with the strong belief that innovative, secure and efficient payment mechanisms are central to economic growth. TCS has been RBI's digital transformation partner for the last two decades, building the systems needed to help the central bank realize this belief.



The two important online payment systems run by the Reserve Bank of India, namely, National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS), have both been enabled by robust and scalable technology platforms built and maintained by TCS.

The underlying messaging infrastructure that enables the smooth interchange of data is the Structured Financial Messaging System, a TCS innovation that connects over 70,000 branches of over 200 banks and clearing houses in India.

Today, these two platforms process over 260 million payment transactions, worth \$1.5 trillion, every month.

In the latest development, TCS teams enhanced both platforms and their related ecosystems to enable successful introduction of NEFT 24x365 in 2019, and then RTGS 24x365 in 2020, making India one of the few countries in the world to operate a realtime, large value payment system round the clock.

This has led to faster settlements, improved liquidity, reduced cost for retail payment systems, and enhanced ease of doing business, fulfilling the purpose of giving further impetus to Digital India's progress.

With its deep understanding of the payments ecosystem, technological capabilities and shared purpose of nation-building, TCS has been a long-standing, trusted partner in RBI's mission to provide secure, cutting edge payment mechanisms to the nation.

## Vodafone Idea with TCS

Vodafone Idea is adopting the latest technologies for customer experience enhancement, as it undertakes the world's largest network integration in India. TCS has been its technology partner in this journey, managing all of its customer-facing applications. Additionally, TCS will work on bringing integration synergies in Vodafone's and Idea's systems to strengthen operational effectiveness and enable faster revenue realization.

## Star Alliance Expands Strategic Partnership with TCS to Deliver Enhanced Customer Experiences

TCS' strategic partnership with Star Alliance spans over 15 years and multiple geographies. Most recently, TCS successfully completed a large-scale cloud migration helping the company improve speed to market, provide seamless customer experiences during interline travels, and reduce the number of third country operators involved for member carriers. This gave the alliance complete virtual oversight of its organization and a scalable infrastructure that supports future growth.



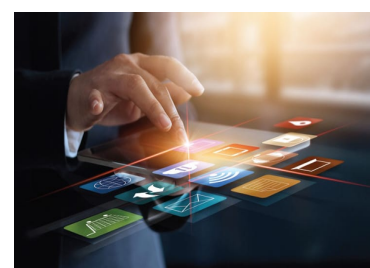
## Partnered with Zoho

Zoho, in alliance with TCS, will allow global enterprise organizations to realize new revenue opportunities, gain operational efficiency, and drive business success from anywhere, whether remote, in-office, or both.



## Partnered with Zendesk

Customer Relationship Management firm Zendesk has entered into a strategic alliance with Tata Consultancy Services to provide enterprise grade CRM solutions for large enterprises. The partnership will combine Zendesk's support, sales and engagement software solutions together with TCS contextual knowledge and experience in digital transformation.





## India Post Partners with TCS to Digitally Reimagine Postal Services

Tata Consultancy Services, a leading global IT services, consulting, and business solutions organization, has partnered with the Department of Posts in its multi-year transformational journey to become a multi-service digital hub, modernize the delivery of mail and packages, enhance customer experience, and launch innovative services that will drive new revenues.



At the heart of this transformation is the Core System Integration (CSI) program designed and implemented by TCS. This involved deploying an integrated ERP solution that caters to mail operations, finance and accounting, and HR functions, and connects its vast network of more than 150,000 post offices, making this the largest distributed ePostal network in the world.

The integrated solution is built to cater to the Department's immense scale, and future needs. It supports the HR needs of over 500,000 employees, services over 40,000 concurrent users, and processes over 3 million postal transactions a day, making this one of the largest SAP implementations in the world.

On the front-end, TCS has implemented its Point of Sale (PoS) solution across 24,000 post offices with over 80,000 PoS terminals, making this amongst the largest such implementations in the world. Additionally, TCS has built a web portal with consignment tracking capabilities, and set up a multi-lingual call center for customer support.

To enable India Post to benefit from the burgeoning ecommerce opportunity, while fulfilling a vital social obligation, the web portal has an e-marketplace to help rural artisans, self-help groups, and women entrepreneurs reach out to buyers throughout the country.

An important objective of the transformation is to use the Department's nationwide reach to drive financial inclusion and accessibility of citizen services in remote areas. This is being accomplished through over 130,000 DARPAN hand-held devices that *Gramin Dak Sevaks* use to provide postal, banking, insurance, and cash management services in remote villages, even those without network connectivity.

**“PSP (Passport Seva Program) is a new benchmark in e-governance and is considered a laudable achievement for a digital India. We appreciate and congratulate TCS for their contribution. We value our relationship with TCS.”**

“The Passport Seva Project, administered by Ministry of External Affairs, Government of India, has tried to simplify the availability of passport services to Indian citizens across the globe. TCS has been a reliable partner of MEA in this endeavor... in establishing a citizen-friendly application system supported by robust IT infrastructure, managed, and maintained by it on 24X7 basis. The high quality of services delivered from the state-of-the-art Passport Seva Kendras [PSK] set up by TCS, where TCS staff work together with MEA officials, has been recognized globally”.



The transformation also saw the design of a toll-free call center that offers support in 17 languages nationwide. TCS also manages the overall physical and technical scalability of the infrastructure and operations.

Today, TCS provides a scalable technology platform for passport services to 1.3+ billion Indian citizens, including 32 million citizens living overseas.

## **TCS’ robust and scalable platform helped SBI to leap frog the digital journey.**

State Bank of India Bank is on a mission to improve the experience of its stakeholders. However, SBI wanted to empower its customers to avail services through digital channels—while inside a physical branch or on the move. SBI also wanted to tap the vast unbanked masses of India and drive financial inclusion.

SBI has always had a loyal customer base and high brand recall, but to effectively engage with gen next, they needed a digital transformation.

TCS designed and deployed several transformational programs for the staff and customers of SBI.



## Happy to see a reduction in footfall at the Delhi Excise office

The Delhi government's Department of Excise, Entertainment, and Luxury Tax, which regulates and controls the manufacture and trade of liquor and narcotics, faced a challenging mandate: to make the alcohol supply chain watertight. However, due to limited resources, legacy systems, and manual processes, they were not able to control the quality of products in the marketplace or collect comprehensive taxes under the multiple taxation heads of excise duty, entertainment tax, and luxury tax.



TCS designed the Excise Supply Chain Information Management System (ESCIMS) that uses high-precision 2D barcodes to uniquely tag and track all stock units across the supply chain in real-time. Now, government and private sector stakeholders can use their laptops or mobile phones to communicate with each other, receive regulatory updates, and monitor inventory across more than 1650 points, until the point of retail sale.

To enable adoption TCS migrated legacy data onto the new system, created a standardized look and feel with streamlined, user-friendly interfaces, and trained all ESCIMS users: distilleries, bonded warehouses, hotels, clubs, and restaurants, vend sites, canteen store departments, and four state-owned corporations.

## Indian tax system lacked transparency and efficiency, struggled under expanding tax base.

India's Income Tax department needed to make their processes convenient and reliable for both taxpayers and tax officials. Taxpayers found tax procedures to be slow, inaccurate, and complex. Bogged down by manual processes, tax officials too faced challenges in ensuring efficient tax collection and refund management. With India's growing number of taxpayers, the tax department struggled to manage the scale and complexity



of operations thereby reducing transparency and increasing the burden on the stakeholders involved. India's tax department sought to deliver a more responsive, accessible, transparent, and reliable e-filing system to taxpayers. Aligned with that goal, TCS designed and developed an innovative, single-window, personalized portal for users. Our Web-based solution offers users all the information required to file returns online. We simplified the site navigation and provided easy-to-find links to key modules. We added a comprehensive online tracking feature to enable email and SMS notifications about return

processing and refunds. Users can provide their feedback and address issues via a dedicated grievance management section on the portal.

## **Helping Seniors Shine On**

To help elderly populations continue living independently and safely, TATA Consultancy Services Ltd. (TCS) and the Singapore Management University (SMU) have developed a pilot project deployed in the island nation. Called SHINESeniors, the project is supported by a Singapore government grant, and explores monitoring and assistive technologies at around 100 local Housing Development Board (HDB) apartments.

It combines sensor-based internet of things (IoT) technology with data analytics to help people age in place, and uses a community caregiver ecosystem to provide last-mile human touch. By using community assistance and not the healthcare system, SHINESeniors helps the elderly control costs significantly.

## **Bajaj Allianz Transforms Daily Deployments**

The insurance giant wanted to manage their ‘requirements-to-release’ processes, create a continuous delivery pipeline, initiate tasks and deploy changes across its environments. The current business scenario demanded continuous delivery of its customer portal and other applications to the market. After a rigorous evaluation of the available commercial products in the market, BAGIC opted for TCS MasterCraft, DevPlus, which can manage both agile and traditional lifecycle processes.

## **LOCKDOWN INITIATIVE**

15-day self-paced digital certification programme called Career Edge, specially designed for college students/working professionals to enhance their career skills by helping them effectively utilise the time at hand during this period of lockdown.

The programme, offered on the TCS iON Digital Learning Hub platform, is followed by an online digital assessment and certification, according to a TCS statement. "The programme consists of nano videos, case studies and assessments that will help the learners to understand and evaluate their strengths and weaknesses. Career Edge also carries useful recorded webinars hosted by TCSers to make it interesting and practical. The program can be accessed anywhere, anytime on any device - cellphones, laptops, desktops and tablets. Such initiative was taken by TCS.

# COVID-19

Over the past weeks and months, the COVID-19 pandemic has emerged as a significant and very global challenge that is creating disruption across the world. We strongly believe that all global challenges need global solutions. We are engaged with our employees, clients, partners, public institutions, and community organizations to rise to the occasion. As the world comes together to fight this, human endeavor and ingenuity will surely prevail over this crisis.

TCS has been a pioneer in location independent work practices for the last 50 years. We proactively deployed collaboration platforms, cloud enabled infrastructure and robust security practices, which positions us well to deal with this unprecedented situation. Our clients have trusted TCS to manage their technology. We will continue to keep earning their trust by working together to navigate these difficult times.

## THE RACE FOR A CURE OF COVID-19

- In TCS' Innovation Lab in Hyderabad, India, a team of TCS scientists have identified 31 molecular compounds that hold promise towards finding a cure for COVID-19.
- This effort is part of the many worldwide mission-critical activities that TCS is engaged in, working with private enterprise and governmental groups.
- It represents a crucial breakthrough supporting the larger worldwide endeavor towards combating the coronavirus.
- The use of AI has considerably shortened the initial drug design process from several months to only a few days.
- For now, the TCS R&I team has taken its first small step in a collective global scientific exercise, steadfastly focused on a big drug discovery that a world in lockdown anxiously awaits.
- Health and Wellbeing of our employees continue to be the primary focus for us. TCS has enabled benefits and services for all associates and eligible dependents during the Covid-19 pandemic. Some of these include, paid quarantine leave, 24x7 TCS Covid-19 helpdesk to seek any assistance required, 24x7 TCS Medical Hotline to reach doctors and TCS Cares services for counselling.
- Among organizations that had suffered revenue declines, insurance and high tech firms are the most about a speed recovery.
- The high tech industry positive outlook may be driven by the vital role that technology is playing during the pandemic and the fact that majority of organizations plan to maintain or boost digital transformation spending.

## REVENUE IMPACT OF THE PANDEMIC

	Industry											
	Total	Banking and financial services	Insurance	Retail	Consumer packaged goods	Life sciences/ healthcare	Communications, media, and technology	Travel, transportation and hospitality	High tech	Manufacturing	Energy, resources and utilities	Public services
Decreased	68%	58%	50%	61%	56%	42%	69%	88%	82%	89%	82%	56%
Stayed the same	24%	34%	27%	26%	22%	42%	23%	12%	18%	11%	16%	44%
Increased	8%	8%	23%	13%	22%	16%	8%				3%	

## EXPECTED TIME TO RECOVER

	Industry								
	Banking and financial services	Insurance	Retail	Communications, media, and technology	Travel, transportation and hospitality	High tech	Manufacturing	Energy, resources and utilities	
Less than 1 year	10%	31%	21%	22%	14%	30%	16%	19%	
1-2 years	43%	39%	36%	44%	36%	35%	32%	32%	
2-5 years	24%	23%	43%	28%	43%	13%	40%	32%	
5+ years	5%					4%		0%	
Too early to tell	19%	8%		6%	7%	17%	12%	16%	

- Among organizations that had suffered revenue declines, insurance and high tech firms are the most about a speed recovery.
- The high tech industry positive outlook may be driven by the vital role that technology is playing during the pandemic and the fact that majority of organizations plan to maintain or boost digital transformation spending.

## The Buyback History at TCS

Date of announcement of Buyback	Share % of paid-up capital bought back	Share Buyback price	Total Buyback Amount	Date of extinguishment of shares
Feb 20, 2017	2.85%	₹ 2,850*	₹ 16,000 crore	Jun 8, 2017
Jun 15, 2018	1.99%	₹ 2,100	₹ 16,000 crore	Sep 26, 2018
Oct 07, 2020	1.42%	₹ 3,000	₹ 16,000 crore	Jan 6, 2021

\* Price not adjusted for subsequent bonus issue.

## TCS Targets Net Zero Emissions by 2030

TCS announced its plans to reduce its absolute greenhouse gas emissions across Scope 1 and Scope 2 by 70% by 2025 (over 2016 base year), and to achieve net zero emissions by 2030.

In FY 2021, TCS' specific carbon footprint across Scope 1 and Scope 2 was lower by 61.6% compared to baseline year FY 2008.

TCS' environmental footprint was significantly reduced in FY 2021 due to the large-scale switch to remote working, enabled by its Secure Borderless Workspaces™ operating model. With over 97% of employees working from home throughout the year, resource consumption, emissions and wastes were significantly lower. During the year, the company's absolute energy consumption came down by 46.6% over the prior year, and absolute carbon footprint (Scope 1 + Scope 2) by 48.8%.

TCS will also continue its efforts in water conservation and waste management through reduction and recycling initiatives. All its campuses ensure zero biodegradable waste to landfill and zero water discharge. TCS has also eliminated the use of single-use plastics across campuses and ensured the recycling of all recyclable plastic waste.

## TCS a Leader and Star Performer in Financial Crime and Compliance Operations

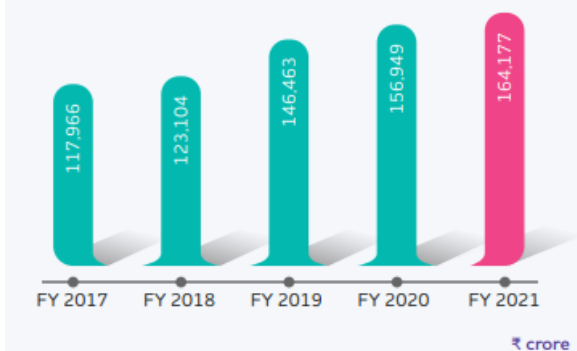
TCS was placed highest for its market impact. Additionally, it was named a Star Performer for having top quartile year-on-year improvement in its scores. According to the report, TCS has developed strong capabilities in FCC operations with continued initiatives to enhance domain expertise as well as sharpen its technology offerings. The report cites TCS' investments in bolstering offerings with the inclusion of platform-based solutions and digital levers like blockchain and cognitive automation, and to strengthen domain

expertise with the hiring of SMEs and creation of a dedicated Centre of Excellence for FCC processes, as key strengths.

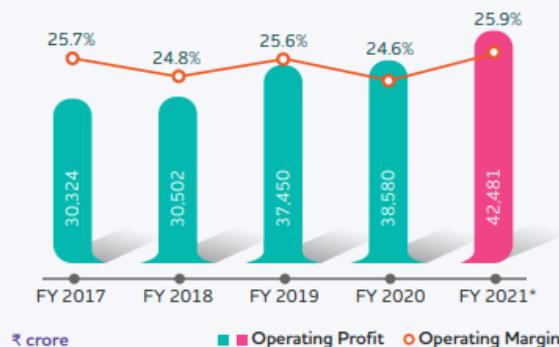
## FINANCIALS

### Revenue Trend

CAGR 8.6%

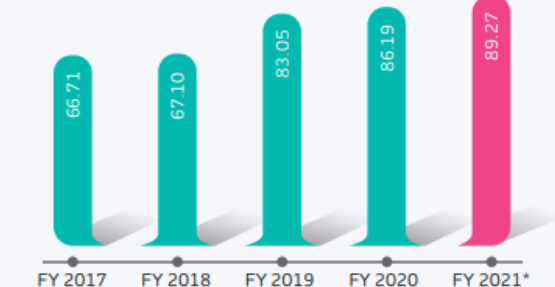


### Operating Profit Trend



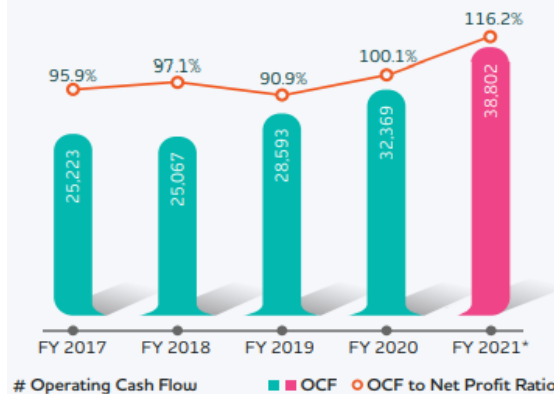
### Earnings per share<sup>^</sup> (Amount in ₹)

CAGR 7.7%



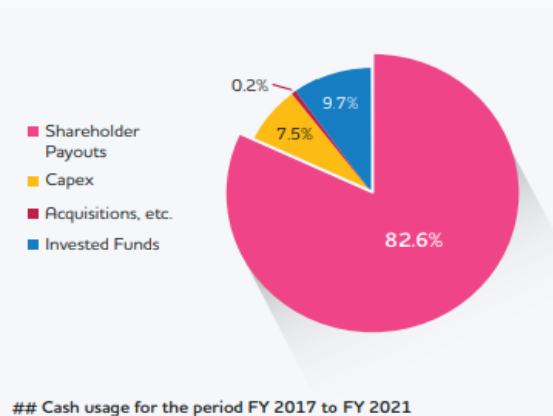
<sup>^</sup>Earnings per share is adjusted for bonus issue

### OCF<sup>#</sup> and Cash Conversion



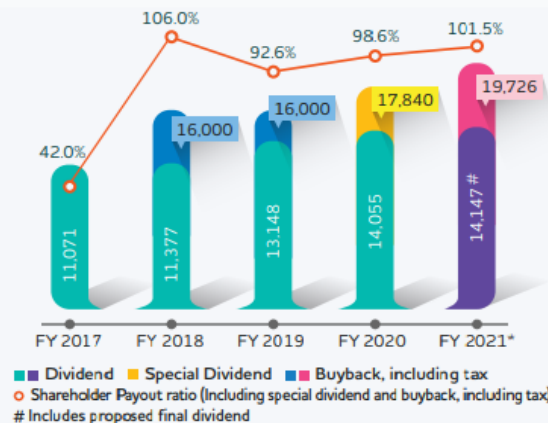
<sup>#</sup> Operating Cash Flow

### Cash Usage<sup>##</sup>



<sup>##</sup> Cash usage for the period FY 2017 to FY 2021

### Shareholder Payouts



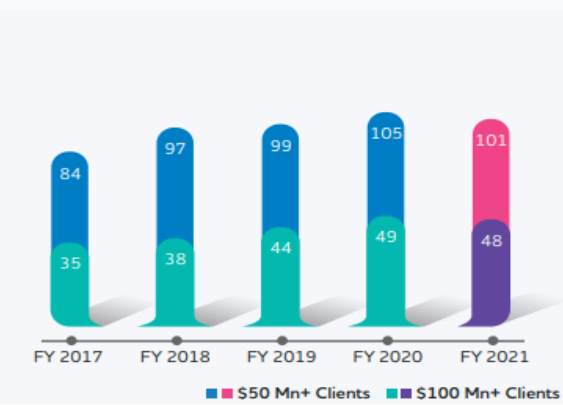
■ Dividend ■ Special Dividend ■ Buyback, including tax

○ Shareholder Payout ratio (Including special dividend and buyback, including tax)

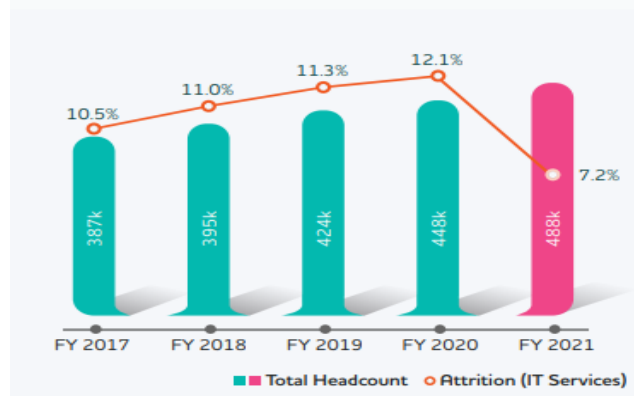
<sup>#</sup> Includes proposed final dividend



### Client Metrics



### Employee Metrics



- Ranked #2 in the PEAK Matrix IT Service Provider of the Year: ITS Top 20 by Everest Group, for being a Leader in 18 evaluations and a Star Performer in 4, in 2020.
- Additionally, TCS was named the Leader of the Year in Application Services and in Life Sciences, and the Star Performer of the Year in Healthcare.
- Launched the TCS COVID-19 Testing and Vaccine Management Suite of modular, easy-to-deploy solutions that leverage AI, robotics, blockchain and the Internet of Things (IoT) to streamline every stage of the end-to-end testing and vaccination journeys, enabling more individuals to get tested and vaccinated faster and return to normal life experiences.
- Completed the third successful share buyback in four years, to the tune of ₹16,000 crore at ₹3,000 per share, through the tender offer route, extinguishing 5.3 crore equity shares, representing about 1.42 percent of the total equity.



## INCOME STATEMENT (Quarterly Standalone)

	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
<b>Income (₹ Cr )</b>						
Revenue	36,017.00	34,957.00	33,365.00	31,624.00	33,222.00	33,040.00
Other Income	864.00	2,096.00	1,734.00	706.00	2,033.00	1,206.00
<b>Total Income</b>	<b>36,881.00</b>	<b>37,053.00</b>	<b>35,099.00</b>	<b>32,330.00</b>	<b>35,255.00</b>	<b>34,246.00</b>
Total Expenditure	25,065.00	24,279.00	23,279.00	23,030.00	23,969.00	23,595.00
<b>Operating Profit</b>	<b>11,816.00</b>	<b>12,774.00</b>	<b>11,820.00</b>	<b>9,300.00</b>	<b>11,286.00</b>	<b>10,651.00</b>
Interest	111.00	159.00	149.00	118.00	211.00	200.00
Exceptional Items	--	--	-1,218.00	--	--	--
<b>PBDT</b>	<b>11,705.00</b>	<b>12,615.00</b>	<b>10,453.00</b>	<b>9,182.00</b>	<b>11,075.00</b>	<b>10,451.00</b>
Depreciation	788.00	771.00	755.00	739.00	724.00	677.00
<b>PBT</b>	<b>10,917.00</b>	<b>11,844.00</b>	<b>9,698.00</b>	<b>8,443.00</b>	<b>10,351.00</b>	<b>9,774.00</b>
Tax	2,743.00	2,602.00	2,250.00	2,347.00	2,124.00	2,091.00
<b>Profit after Tax</b>	<b>8,174.00</b>	<b>9,242.00</b>	<b>7,448.00</b>	<b>6,096.00</b>	<b>8,227.00</b>	<b>7,683.00</b>
Equity Capital	370.00	375.00	375.00	375.00	375.00	375.00
<b>Ratios (₹ Cr )</b>						
Adjusted EPS (Rs.)	22.09	24.65	19.86	16.26	21.94	20.49
Operating Margin (%)	32.81	36.54	35.43	29.41	33.97	32.24
Net Margin (%)	22.16	24.94	21.22	18.86	23.34	22.43

# Annual Consolidated

	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
<b>Income Statement (₹ Cr)</b>					
Operating Revenue	1,64,177.00	1,56,949.00	1,46,463.00	1,23,104.00	1,17,966.00
Other Income	3,134.00	4,592.00	4,311.00	3,642.00	4,221.00
Total Income	1,67,311.00	1,61,541.00	1,50,774.00	1,26,746.00	1,22,187.00
Total Expenditure	1,17,631.00	1,14,840.00	1,06,957.00	90,588.00	85,655.00
Stock Adjustments	1.00	-1.00	--	1.00	-1.00
Raw Material Consumed	14.00	18.00	40.00	85.00	94.00
Power & Fuel Cost	--	--	--	--	--
Employee Cost	91,814.00	85,952.00	78,246.00	66,383.00	61,621.00
Cost of Software developments	1,447.00	1,888.00	2,230.00	2,614.00	2,715.00
Operating Expenses	2,131.00	2,702.00	4,262.00	3,938.00	3,685.00
General and Administration Expenses	22,023.00	24,137.00	21,772.00	17,361.00	17,416.00
Selling and Marketing Expenses	--	--	--	--	--
Miscellaneous Expenses	201.00	144.00	407.00	206.00	125.00
Operating Profit	49,680.00	46,701.00	43,817.00	36,158.00	36,532.00
Interest	637.00	924.00	198.00	52.00	32.00
PBDT	49,043.00	45,777.00	43,619.00	36,106.00	36,500.00
Depreciation	4,065.00	3,529.00	2,056.00	2,014.00	1,987.00
PBT & Exceptional Items	44,978.00	42,248.00	41,563.00	34,092.00	34,513.00
Exceptional Items	-1,218.00	--	--	--	--
Profit before Tax	43,760.00	42,248.00	41,563.00	34,092.00	34,513.00
Provision for Tax	11,198.00	9,801.00	10,001.00	8,212.00	8,156.00
Profit after Tax	32,562.00	32,447.00	31,562.00	25,880.00	26,357.00
Minority Interest	-132.00	-107.00	-90.00	-54.00	-68.00

	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Consolidated Profit	32,430.00	32,340.00	31,472.00	25,826.00	26,289.00
<b>Liabilities (₹ Cr )</b>					
Shareholder's Funds	86,433.00	84,126.00	89,446.00	85,128.00	86,214.00
Share Capital	370.00	375.00	375.00	191.00	197.00
Total Reserves	86,063.00	83,751.00	89,071.00	84,937.00	86,017.00
Minority Interest	675.00	623.00	453.00	402.00	366.00
Non-Current Liabilities	5,565.00	6,262.00	304.00	-511.00	-668.00
Long-Term Borrowings	--	--	--	54.00	71.00
Other Long Term Liabilities	7,754.00	7,665.00	1,359.00	1,153.00	642.00
Long Term Trade Payables	--	3.00	3.00	18.00	17.00
Long Term Provisions	975.00	643.00	556.00	543.00	511.00
Current Liabilities	34,155.00	27,060.00	22,084.00	17,828.00	14,512.00
Short Term Borrowings	--	--	--	181.00	200.00
Trade Payables	7,860.00	6,740.00	6,292.00	5,094.00	4,905.00
Other Current Liabilities	15,160.00	13,566.00	10,530.00	8,874.00	6,067.00
Short Term Provisions	11,135.00	6,754.00	5,262.00	3,679.00	3,340.00
Total Liabilities	1,29,992.00	1,20,120.00	1,13,901.00	1,05,126.00	1,02,333.00
<b>Assets (₹ Cr )</b>					
Non-Current Assets	27,548.00	27,834.00	20,156.00	21,623.00	20,108.00
Fixed Assets	21,021.00	20,928.00	12,290.00	11,973.00	11,701.00
Capital Work in Progress	926.00	906.00	963.00	1,278.00	1,541.00
Non Current Investments	213.00	216.00	239.00	301.00	344.00
Long Term Loans & Advances	2,865.00	3,480.00	5,188.00	6,991.00	5,830.00
Other Non Current Assets	2,523.00	2,304.00	1,476.00	1,080.00	692.00

	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Deferred tax asset	3,164.00	2,049.00	1,614.00	2,279.00	1,909.00
<b>Current Assets</b>	<b>99,280.00</b>	<b>90,237.00</b>	<b>92,131.00</b>	<b>81,224.00</b>	<b>80,316.00</b>
Inventories	8.00	5.00	10.00	26.00	21.00
Currents Investments	29,160.00	26,140.00	29,091.00	35,707.00	41,636.00
Cash and Bank	9,329.00	9,666.00	12,848.00	7,161.00	4,149.00
Trade Receivables	30,079.00	30,532.00	27,346.00	24,943.00	22,617.00
Short Term Loans and Advances	15,656.00	13,090.00	13,553.00	3,647.00	3,297.00
Other Current Assets	15,048.00	10,804.00	9,283.00	9,740.00	8,596.00
<b>Total Assets</b>	<b>1,29,992.00</b>	<b>1,20,120.00</b>	<b>1,13,901.00</b>	<b>1,05,126.00</b>	<b>1,02,333.00</b>
<b>Total Debt*</b>	<b>--</b>	<b>--</b>	<b>18.00</b>	<b>247.00</b>	<b>289.00</b>
<b>Net Current Assets</b>	<b>65,125.00</b>	<b>63,177.00</b>	<b>70,047.00</b>	<b>63,396.00</b>	<b>65,804.00</b>
Contingent Liabilities	750.00	728.00	577.00	3,305.00	6,592.00
<b>Cashflow (₹ Cr )</b>					
<b>Cash From Operating Activities</b>	<b>38,802.00</b>	<b>32,369.00</b>	<b>28,593.00</b>	<b>25,067.00</b>	<b>25,223.00</b>
Profit Before Tax	43,760.00	42,248.00	41,563.00	34,092.00	34,513.00
Adjustment	3,271.00	634.00	-843.00	-1,207.00	-713.00
Changes In working Capital	863.00	-4,667.00	-2,169.00	-209.00	-631.00
Tax Paid	-9,092.00	-5,846.00	-9,958.00	-7,609.00	-7,946.00
<b>Cash Flow from Investing Activities</b>	<b>-8,129.00</b>	<b>8,565.00</b>	<b>1,596.00</b>	<b>2,886.00</b>	<b>-16,732.00</b>
<b>Cash from Financing Activities</b>	<b>-32,634.00</b>	<b>-39,915.00</b>	<b>-27,897.00</b>	<b>-26,885.00</b>	<b>-11,026.00</b>
<b>Net Cash Inflow / Outflow</b>	<b>-1,961.00</b>	<b>1,019.00</b>	<b>2,292.00</b>	<b>1,068.00</b>	<b>-2,535.00</b>

# RATIOS

	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
<b>Financials</b>					
<u>Adjusted EPS (Rs)</u>	87.65	86.24	83.93	67.61	66.72
<u>Cash EPS (Rs)</u>	98.99	95.94	89.65	73.02	71.94
<u>Adjusted Book Value (Rs)</u>	231.36	222.21	238.01	223.07	217.45
<u>Dividend per Share (Rs)</u>	38.00	73.00	30.00	50.00	47.00
<u>Cash Flow per Share (Rs)</u>	104.87	86.32	76.25	131.24	128.04
<u>Free Cash Flow per Share (Rs)</u>	92.74	74.83	77.91	135.20	130.57

	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
<b>Profitability</b>					
<u>ROCE (%)</u>	52.56	50.02	47.80	39.84	43.94
<u>ROE (%)</u>	38.55	37.60	36.18	30.29	33.64
<u>ROA (%)</u>	26.59	28.17	29.34	25.46	28.21
<u>Operating Margin (%)</u>	30.26	29.76	29.92	29.37	30.97
<u>Net Margin (%)</u>	19.46	20.09	20.93	20.42	21.57
<u>Cash Profit Margin (%)</u>	22.31	22.92	22.95	22.66	24.03

<b>Growth</b>					
<u>Revenue Growth (%)</u>	4.61	7.16	18.98	4.36	8.58
<u>Operating profit Growth (%)</u>	6.38	6.58	21.18	-1.02	8.21
<u>Net Profit Growth (%)</u>	0.35	2.80	21.96	-1.81	8.30
<u>EPS Growth (%)</u>	1.63	2.76	24.14	1.32	8.32
<u>Book Value Growth (%)</u>	2.73	-6.64	4.74	-0.54	20.64

<b>Solvency</b>					
<u>Debt to Equity</u>	--	--	0.00	0.00	0.00
<u>Short term debt to equity</u>	--	--	--	0.21	0.23
<u>Current Ratio</u>	2.91	3.33	4.17	4.56	5.53
<u>Quick Ratio</u>	2.91	3.33	4.17	4.55	5.53
<u>Interest Coverage</u>	69.70	46.72	210.91	656.62	1,079.53
	<b>Mar-21</b>	<b>Mar-20</b>	<b>Mar-19</b>	<b>Mar-18</b>	<b>Mar-17</b>
<b>Operating Efficiency</b>					
<u>Debtors to sales (%)</u>	18.32	19.45	18.67	20.26	19.17
<u>Asset Turnover</u>	1.34	1.36	1.36	1.21	1.26
<u>Receivable days</u>	67.38	67.30	65.15	70.51	72.23
<u>Inventory Days</u>	0.01	0.02	0.04	0.07	0.06
<u>Payable days</u>	27.18	25.80	24.56	25.19	33.71
<u>Cash Conversion Cycle</u>	40.21	41.52	40.64	45.38	38.58
<b>Valuation</b>					
<u>Price / Earnings</u>	36.25	21.14	23.84	10.54	9.11
<u>Price / Book Value</u>	13.73	8.20	8.40	6.39	5.59
<u>Dividend Yield (%)</u>	1.20	4.00	1.50	1.75	1.93
<u>EV/EBITDA</u>	23.48	14.43	16.83	14.86	13.00
<u>Close Price (Rs)</u>	3,177.85	1,826.10	2,001.65	1,424.58	1,215.90
<u>High Price (Rs)</u>	3,339.80	2,296.20	2,275.95	1,629.53	1,372.40
<u>Low Price (Rs)</u>	1,650.00	1,506.05	1,412.50	1,126.40	1,025.95
<u>Market Cap (Rs Cr)</u>	11,75,712.05	6,83,643.79	7,50,149.95	5,44,216.32	4,78,926.74

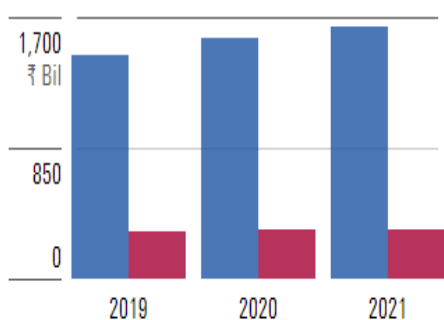
## Key Highlights

- EPS seems to be increased from last year from 86.2 to 87.6 which indicates that TCS earns more from each share of its stock.
- The dividend per share drops from 73 to 38, which does not mean that company, is not stable. TCS probably invested their money in further investments which will be sustained in future.
- Free Cash flow per share also increased from last 2 years.
- Return on capital employed (ROCE) is also increased from past 3 years, this indicates the profitability of the business enterprise. Therefore higher the ROCE means large amount of profits were invested for the benefits of shareholders.
- Return on Equity (ROE) is also increased from last 3 years, which indicates that TCS is returning their equity to its net profit which is also a positive side of TCS.
- Return on Assets (ROA) is quite stable from past 3-4 years i.e. around 26, which shows how effectively a company can earn a return on its investment in assets. A positive ROA ratio usually indicates an upward profit trend as well.
- EPS growth % is 1.63 which means that investors will pay more for a company's shares if they think the company has higher profits relative to its share price.
- Debt to equity ratio is nil from last 5 years which is positive side of TCS. It indicates that the company is very less risky. Also this means that assets are more funded by equity not from debt.
- Short term debt to equity is also 0 in last 2 years.
- Current Ratio is 2.91 of TCS, which indicates that TCS was at its desirable situation which is more than 1. This indicates that company can pay its short term obligations.
- Quick Ratio (2.99), a fall in Quick Ratio from 3.33 to 2.99, which indicates that quick assets are more than current liabilities. This shows the liquidity of company's financials.
- Interest Coverage Ratio measures how many times a company can cover its current interest payment with its available earnings. It increased from 46.7 to 67.7 which is a positive aspect for TCS.
- The market cap of TCS was also increased from the last year. From 3 consecutive years it is increasing.



## Income Statement >

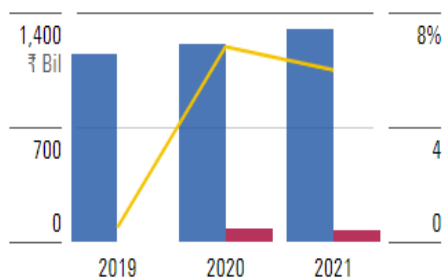
■ Revenue ■ Net Income



	2019	2020	2021	TTM	3-Yr Trend
Revenue (Bil)	1,464.63	1,569.49	1,641.77	1,641.77	
Operating Income (Bil)	374.50	385.80	426.82	426.82	
Net Income (Bil)	314.72	323.40	324.30	324.30	
Diluted EPS	83.05	86.19	86.71	86.71	
Normalized Diluted EPS	82.03	85.66	89.10	89.10	

## Balance Sheet >

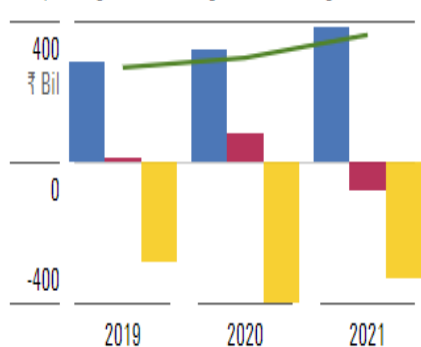
■ Assets ■ Debt — Debt/Assets



	2019	2020	2021	Q3 2021	3-Yr Trend
Total Assets (Bil)	1,149.43	1,208.99	1,307.59	1,420.76	
Total Liabilities (Bil)	250.44	361.50	436.51	613.87	
Total Debt (Bil)	5.35	81.76	77.95	78.70	
Total Equity (Bil)	898.99	847.49	871.08	806.89	
Cash, Cash Equivalents and Short Term Investments (Bil)	419.39	357.25	383.83	575.92	

## Cash Flow >

■ Operating ■ Investing ■ Financing



	2019	2020	2021	TTM	3-Yr Trend
Operating (Bil)	285.93	323.69	388.02	388.02	
Investing (Bil)	15.96	85.65	-81.29	-81.29	
Financing (Bil)	-278.97	-399.15	-326.34	-326.34	
Free Cash Flow (Bil)	263.62	291.20	356.26	356.26	

# STOCK PERFORMANCE

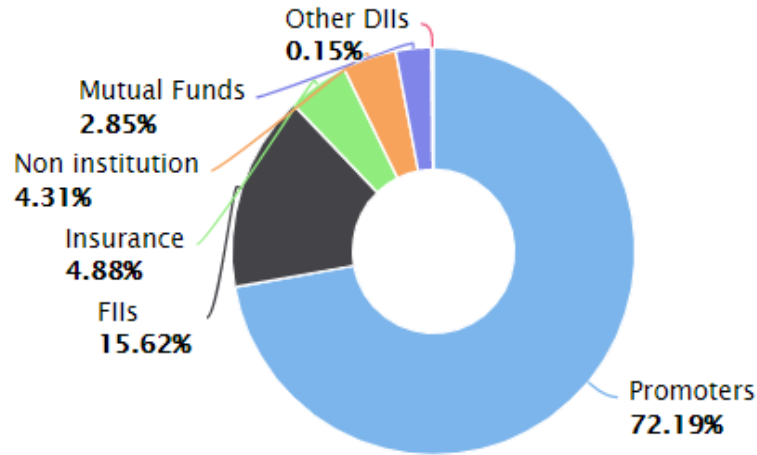
Trailing		Annual	
Time Period	Tata Consultancy Services	S&P BSE Sensex	S&P BSE IT
YTD	11.79	8.78	15.67
1 month	2.15	5.56	4.71
3 months	4.89	1.80	8.30
1 Year	54.45	52.96	90.19
3 Years	22.31	13.56	27.37
5 Years	19.94	14.17	19.88
10 Years	18.34	10.93	16.48

Trailing		Annual	
Year	Tata Consultancy Services	S&P BSE Sensex	S&P BSE IT
2020	32.07	15.75	56.68
2019	13.61	14.38	9.84
2018	39.91	5.87	24.78
2017	14.19	27.91	10.83
2016	-2.10	1.95	-8.00
2015	-4.27	-5.03	4.51
2014	18.81	29.89	16.54

## Share Price Comparison to Indices



## Shareholding Snapshot - Mar 2021



### Total Returns (Price+Dividend)

Dividend Yield (1.19%)

Latest dividend: Rs. 15 per share. Ex-Dividend Date: May-25-2021

Time Period	Price Return	Dividend Return	Total Return
6 Months	15.60%	0.54%	16.14%
1 Year	52.66%	0.71%	53.37%
2 Year	44.26%	2.26%	46.52%
3 Year	84.10%	5.60%	89.70%

### Stock DNA

1 Year Returns

STOCK  
**52.71%**

SENSEX  
**52.70%**

BSE 500  
**63.55%**

**Industry:** IT Consulting & Application Software

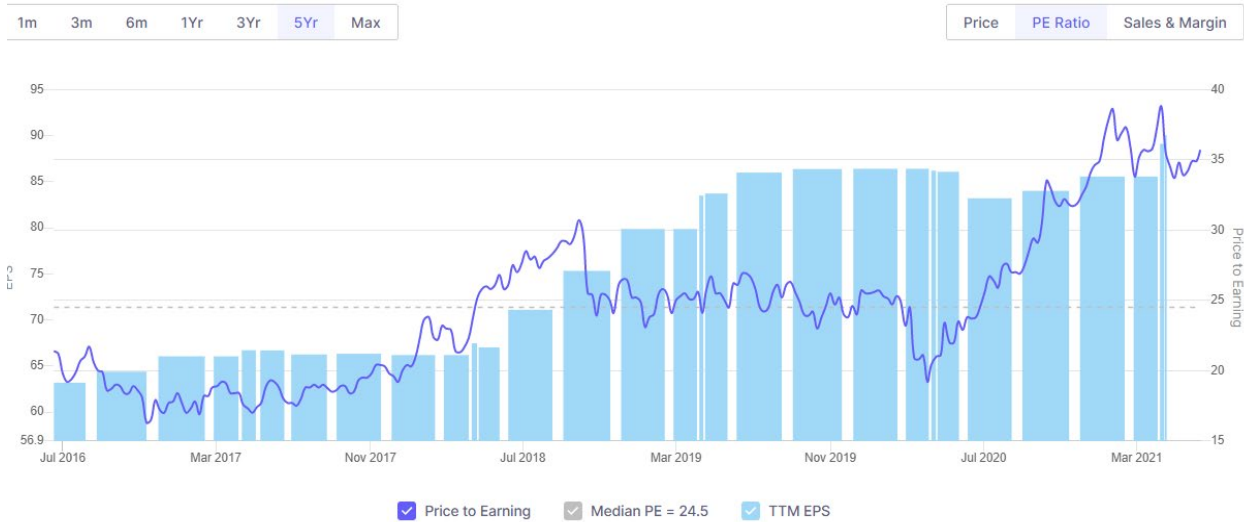
Market Cap (Rs. Cr)  
**11,86,230.00**  
(Large Cap Stock)

PE(TTM)  
**35.53**

Dividend Yield  
**1.19%**

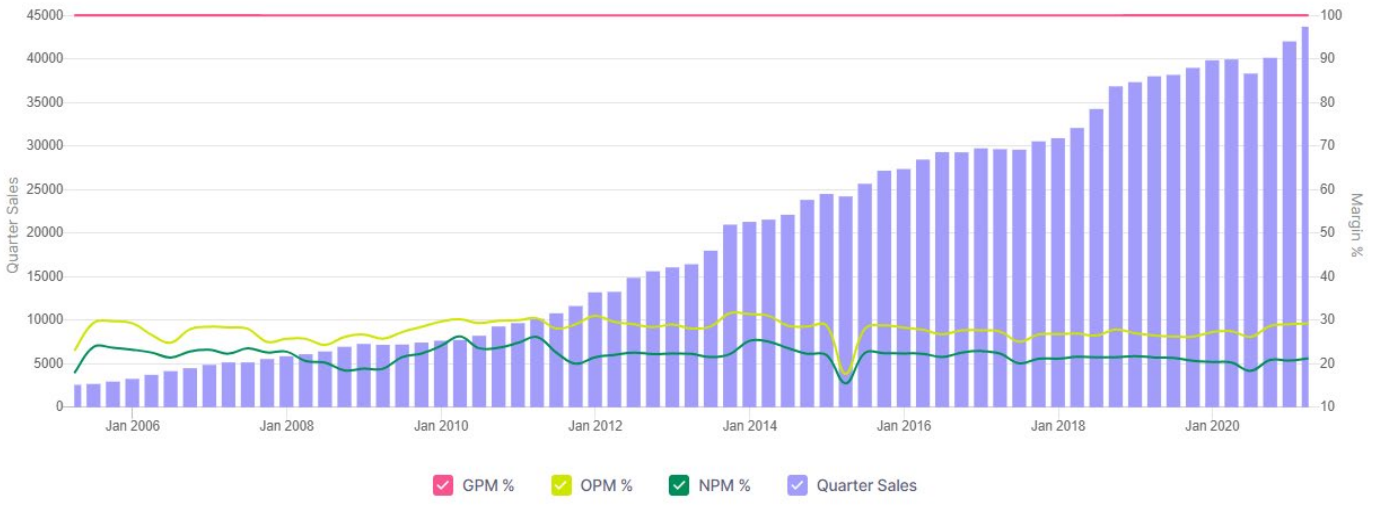
## 52 Week High/Low

Exchange	High	High Date	Low	Low Date
BSE	3,358.80	09/04/2021	2,000.60	15/06/2020
NSE	3,354.35	09/04/2021	2,000.95	15/06/2020



1m 3m 6m 1Yr 3Yr 5Yr Max

Price PE Ratio Sales & Margin



1m 3m 6m 1Yr 3Yr 5Yr Max

Price PE Ratio Sales & Margin



## Tata Consultancy Services Ltd. Price Change Analysis +

