# **TATA CONSULTANCY SERVICES Ltd. (TCS.NS)**

**Summary description -:**

Tata Consultancy Services (TCS) is a Mumbai-based Indian multinational IT services and consulting firm. It belongs to the Tata Group and has 149 locations in 46 countries. TCS is India's second-largest corporation by market capitalization and one of the most valuable IT services brands in the world. TCS was ranked 64th overall in Forbes' World's Most Innovative Companies ranking in 2015, making it the highest-ranking IT services company as well as the top Indian company. It is placed eleventh on the Fortune India 500 list as of 2018. After its market capitalization reached 6.793 trillion (equivalent to 7.7 trillion or US$100 billion in 2020) on the Bombay Stock Exchange in April 2018, TCS became the first Indian IT company to reach $100 billion in market capitalization and the second Indian company ever (after Reliance Industries in 2007). Tata Sons' parent firm held 72.05 percent of TCS in 2016–2017, and TCS produced more than 70% of Tata Sons' dividends. Tata Sons sold $1.25 billion worth of TCS stock in a bulk deal in March 2018.

TCS has operations in various countries. TCS became the first Indian IT company to reach a market capitalization of $200 billion on September 15, 2021. As of March 2021, TCS had a total of 50 subsidiary companies and operated in 46 countries. es across the globe:

India, Bahrain, China, UAE, Belgium, Morocco, Canada, Mexico, USA, Brazil, and so on.

**Operations:**

**TCS BPS (Business Process Services):**

In the financial year 2012–13, the BPS division brought in accounting for 12.5 percent of TCS' overall revenue. Business Process Services, also known as Business Process Management Services, are abbreviated as BPS. Business Process Services is the full form of BPS at TCS. TCS's newest offering, BPS, is available to their clients. TCS's BPS department is responsible for managing and executing the digital business. With over 260,000 people, Tata Consultancy Services is one of India's largest IT enterprises. TCS also has a market share of more than 48% in the overall IT services business. But what matters most is that they have been the fastest-growing firm in India for the past five years. So, what exactly do they do? They provide BPS in TCS to bring creative business solutions to their clients.

**Tata Research Development and Design Centre:**

In 1981, TCS opened India's first software research Centre in Pune, the Tata Research Development and Design Centre. TRDDC conducts research in the areas of software engineering, process engineering, and systems analysis. TRDDC researchers also created Master Craft, a Model-driven Development software that can generate code based on a software model and rewrite it based on the needs of the customers. TRDDC’s research has also led to the invention of Sujal, a low-cost water purifier that can be made with locally accessible materials. TCS used thousands of these filters as part of its aid efforts following the 2004 Indian Ocean tsunami. Tata Swach, a low-cost water purifier, was the brand name for this product in India.

**Innovation Labs:**

TCS established its co-innovation network, which includes innovation laboratories, start-up alliances, university research departments, and venture capitalists, in 2007. TCS also has 19 innovation laboratories spread across three countries. Collabnet and Cassatt are among TCS' partners, as are IITs, Stanford, MIT, and Carnegie Mellon, as well as venture capital firms Sequoia and Kleiner Perkins.

**Business cycle and planning:**

TCS is a global IT services, consulting, and business solutions company that has partnered with many of the world's leading companies on their transformational journeys for over 50 years. It has a global presence, deep domain expertise in multiple industry verticals, and a comprehensive portfolio of offerings aimed at every C-suite stakeholder, including consulting and service integration, digital transformation services, cloud services, cognitive business operations, and products and platforms. TCS has various steps and models engaged to make sure the company reach its targeted growth. They use Integrated Business Model for Value Creation where they follow Human capital, which represents talent and innovation, at the heart of TCS' value generating engine. TCS invests in upskilling individuals with the latest technology skills and providing them with career paths that match their aspirations by acquiring the best talent available in each of the markets it operates in, providing a supportive and vibrant workplace to engage that talent, and investing in upskilling individuals with the latest technology skills. In addition, TCS believes Customer involvement is important. TCS leverages its intellectual and people capital to create cutting-edge, customized technology and business solutions that solve customers' challenges. Furthermore, its ability to put together complicated, holistic solutions that suit the needs of all organizational stakeholders, as well as the high levels of trust established in customer relationships, aids it in securing significant transformation transactions. These partnerships bring in high-quality revenue, allowing the company to achieve industry-leading organic growth and margins while also increasing its financial capital.

For them Sharing is a good thing. A high return on equity was achieved because of best-in-class profitability, lower cost of capital due to a more predictable and resilient business and high cash conversion due to outstanding execution. All of this, combined with a shareholder-friendly capital allocation approach, has improved the company's shareholder relationship capital.

**Macroeconomic environment:**

TCS offers real results to global businesses that no competitor can achieve. TCS provides an integrated portfolio of IT, BPO, infrastructure, engineering, and assurance services that are led by consulting. This is accomplished through the company's unique Global Network Delivery Model (GNDM), which is widely regarded as the gold standard in software development. TCS was voted first in Germany for customer satisfaction in the Whitelane Research 2020 IT Sourcing Study, Europe's biggest independent assessment of IT service providers, in December 2020. TCS increased their business activities in Austin, Texas, by building a new facility in December 2020. TCS intends to hire an additional 130 people in Austin by 2022. TCS is to invest more than $100 million in Austin over the next seven years. Tata Consultancy Services took up two gold and one silver award for Talent Management and Excellence in Learning at the 2020 Brandon Hall Group Awards on September 21, 2020. TCS partnered with NICE Actimize in September 2021 to offer clients complete financial crime compliance solutions. TCS and Transport for London (TfL) signed a 10-year agreement in September 2021 to digitally overhaul private hire cars and taxi licence administration. TCS partnered with Avianca in September 2021 to help the airline expedite its cloud transformation. The company announced new Google Cloud Garages for its enterprise clients in August 2021. It released Jile 5.0, a SaaS-based enterprise agile tool with increased portfolio features, in July 2021. Tata Consultancy Services (TCS) renewed its 17-year collaboration with Virgin Atlantic in June 2021 to assist the latter in entering a new phase of "recovery and expansion." TCS will be in charge of the airline's end-to-end operational management and digital transformation alone. For the eighth year in a row, Tata Consultancy Services (TCS) was named a global leader in the Zinnov Zones for Engineering R&D Services in June 2021. TCS joined with LACChain, an effort led by IDB Lab—the Inter-American Development Bank Group's innovation laboratory—to promote the adoption of a blockchain ecosystem across Latin America and the Caribbean in May 2021. TCS Pace Port, a co-innovation and advanced research Centre in Amsterdam, Netherlands, opened in May 2021.

**Competitors:**

One of the major competitor of TCS is Infosys and here are some brief comparison concerning various overviews such as business and financial as below:

**Business overview:**

Tata Consultancy Services is an IT services, consulting, and business solutions organization. A part of the Tata group, India’s largest multinational business group, TCS has over 488,000 of the world’s best-trained consultants in 46 countries.

Infosys is one of the leading Indian IT services companies offering traditional and digital IT and consulting services. The company’s digital services-related capabilities in cloud computing, the internet of things (IoT), big data and analytics, and artificial intelligence (AI) are ranked the best in the industry.

 It is the fourth largest company in India with a total market capitalization of Rs 7,30,519 crores.

**Financial metrics**

The margins of both companies have grown over the last five years. It can be attributed to the consistent revenue and low cost incurred by them.  For TCS, their operating margin continued to be industry leading.

Whereas the operating margin for Infosys only grew by three points.  The net profit margins are in the same range with TCS having a 3-year Compound annual growth rate of 12.17% and Infosys having 9.84%.