

STOCK ANALYSIS REPORT

REPORT BY

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OBEJECTIVE:

This report presents a concise, data-driven analysis of three major companies: **Tata Consultancy Services (TCS)**, **Reliance Industries**, and **Amazon**. It examines their recent price trends, valuation levels, market capitalization, financial performance indicators, and relevant news developments. The goal is to provide a clear comparison of how each company is positioned in its industry, how the market currently values them, and what risks or strengths stand out. By analysing these three companies side by side, the report highlights key insights that can support investment understanding and decision-making.

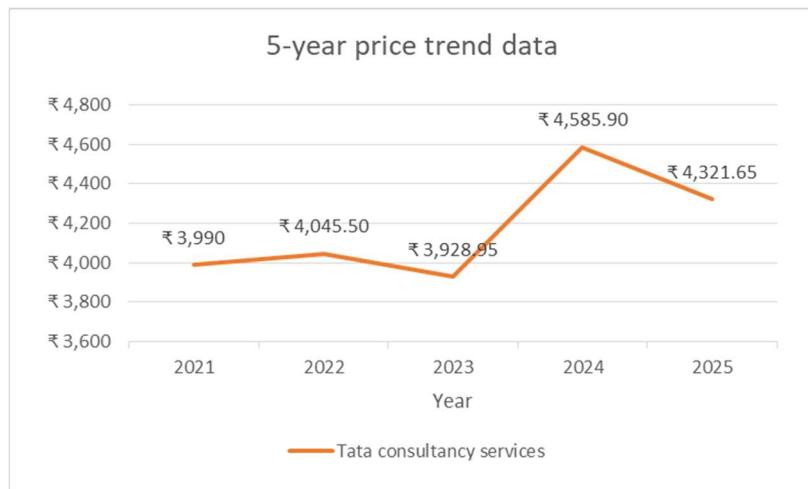
TATA CONSULTANCY SERVICES

INTRODUCTION:

TCS is one of India's largest IT services and consulting companies, known for providing software development, digital transformation, cloud services, and business solutions to clients worldwide. It operates in a stable and recurring business model with long-term contracts from global enterprises. TCS is also part of the Tata Group, which strengthens its reputation and reliability in the IT industry.

PRICE TRENDS:

- As of early December 2025, TCS last traded around ₹3132-₹3138.
- Its 52-week high was roughly ₹4494.90, and 52-week low was around ₹2866.60.
- That implies a drop from the high of ₹4495 down to ₹3135, a fall of 30% from peak over the year. Basically a steep slide. Multiple sources list 1-year return in the ballpark of -26% to -28%.
- Over the last 6 months (part of the 12-month period), the decline was also substantial (some sources quote around -10% to -11%).



PRICE-TO-EARNINGS ANALYSIS (P/E RATIO):

- TCS currently trades at a fair valuation with a P/E of ~23 (TTM).
(Meaning: Investors are paying about ₹23 for every ₹1 of TCS earnings.)

Source references: Screener.in, Groww, Wisesheets – all show P/E in the ~22.5-23.2 range.

- This suggests the market expects stable but not aggressive earnings growth. Investors are cautious due to global IT spending slowdown and AI-driven disruption risk. Upside exists if large-deal wins recover or margins improve.
- If tech spending in US/Europe weakens, earnings may stagnate, P/E could compress further.
- AI automation could hurt traditional outsourcing revenue models.
- Despite a 25% - 30% price correction in the past year, TCS is still not trading at a deep discount, meaning the stock isn't a 'bargain' yet.

MARKET CAPITALISATION ANALYSIS:

- TCS has a market capitalisation of ~ ₹11.3 - ₹11.4 trillion, making it one of India's most valued Public companies.
- It is categorized as a large-Cap-Blue-Chip stock with high stability and strong investor confidence.
- The high market value reflects consistent profitability, global presence and long-term client contracts.
- Market leadership in IT services contributes to strong liquidity and low default risk from a shareholder perspective.

- Despite recent stock price correction, TCS continues to hold a dominant valuation compared to most Indian and global IT peers.

PERFORMANCE INDICATORS:

- Consistent revenue growth supported by diversified global clients.
- High operating profit margins typical of Tier-1 Indian IT companies.
- Stable earnings with predictable cash flows from long-term contracts.
- Strong return ratios (RoE and RoCE) indicating efficient capital use.
- Low debt levels and high client retention rate.
- Growing investments in AI, cloud and digital services, strengthening future capability.

RECENT NEWS:

- **Major AI-data centre joint-venture:**
TCS is entering a ₹18,000 crore (US \$2 billion) partnership with TPG to build AI-ready data centres under a joint venture.
- **5-year enterprise-cloud & AI contract:**
TCS signed a five-year deal with SAP to support cloud migration and generative AI transformation for SAP's enterprise customers.
- **Workforce reduction + rationalization:**
TCS announced a cut of 12,000 mid- and senior-level jobs (about 2% of workforce) in 2025, citing restructuring and AI-driven business model shifts.
- **Employee hikes for junior & mid-tier staff:**
Despite layoffs, TCS has rolled out modest salary increases for 80% of its workforce (junior & mid-levels).

RISK ANALYSIS:

- TCS depends heavily on global IT spending, so any slowdown in the US or Europe directly hits revenue.
- Currency fluctuations, especially USD-INR movements, can affect margins and quarterly earnings.
- The company faces intense competition from Infosys, Wipro, Accenture, and global cloud players, which can pressure pricing.
- Deal cycles are getting longer because clients are cutting discretionary IT budgets.
- Heavy reliance on large enterprise clients increases concentration risk.

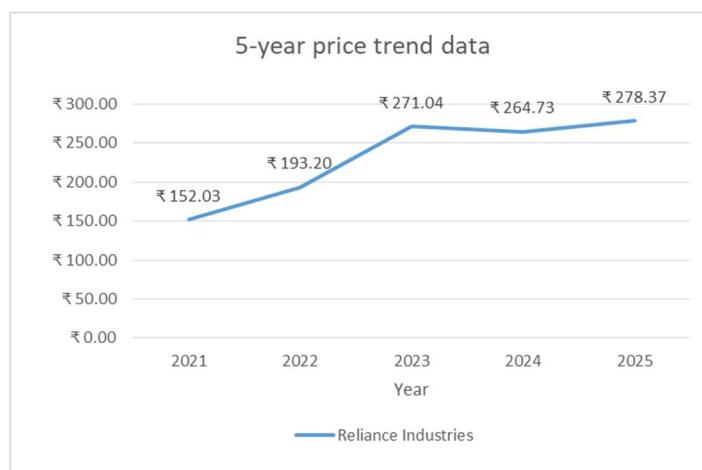
RELIANCE INDUSTRIES LTD.

INTRODUCTION:

Reliance Industries is a major Indian conglomerate with operations spread across energy, petrochemicals, telecom, retail, and digital services. It has a dominant presence in multiple sectors, supported by strong financial capacity and continuous expansion. The company's diversified business structure helps reduce risk and creates multiple revenue sources, making Reliance one of India's most influential corporate leaders.

PRICE TRENDS:

- The current price (as of early December 2025) is around ₹ 1,546.
- The 52-week high is ₹1,580, indicating a strong recovery phase.
- The 52-week low is ₹1,115, showing the stock experienced a sharp decline earlier in the year.
- The stock has delivered an approximate 18-26% rise over the last 12 months.
- Reliance has shown 'high volatility', with significant fluctuations throughout the year.
- The recent rally reflects 'renewed investor' confidence and improving fundamentals.
- Performance is supported by key business segments such as 'telecom, retail and refining'.



PRICE-TO-EARNINGS ANALYSIS (P/E RATIO):

- The current P/E ratio of Reliance Industries is approximately 28-30 (TTM).

- This valuation range indicates the stock is priced at a ‘moderate premium’ compared to market
- A higher P/E reflects ‘market confidence in long-term growth’, driven by telecom, retail and energy businesses.
- The P/E also suggests investors expect ‘steady earnings expansion’ and continued business diversification.
- Reliance’s P/E remains supported by ‘strong cash flows, large market presence and diversification operations’.

MARKET CAPITALISATION:

- The current estimated market capitalisation of Reliance Industries is ₹20.8 – ₹21.2 trillion.
- This places Reliance among the ‘top-valued companies in India’, often ranked as the ‘most valuable listed firm’.
- Large market cap reflects Reliance’s ‘diversified business model’ (oil & energy, telecom, retail, digital) and ‘strong investor confidence’.
- A high market-cap implies ‘better liquidity, lower relative risk and stability’, making it a core large-cap holding rather than a speculative small-cap bet.

PERFORMANCE INDICATORS:

- Reports ‘strong consolidated revenue’ supported by energy, retail and telecom operations.
- Maintains ‘robust operating profitability’, driven by refining margins and Jio’s high-volume telecom business.
- Shows ‘consistent net profit growth’ over the medium term, backed by diversified earnings streams.
- ‘Low-to-moderate debt structure’ relative to its scale, supported by strong cash flows from core businesses.
- High ‘return on capital employed (RoCE)’ reflecting efficient deployment of assets across segments.
- ‘Strong subscriber growth’ in Jio, contributing to stable recurring revenue.
- Retail division continues to expand rapidly, adding to ‘non-oil revenue diversification’.
- Overall performance supported by a ‘balanced mix of cyclical (energy) and non-cyclical (digital/retail) segments’.

RECENT NEWS:

- RIL shares hit a fresh ‘52-week high of ₹1,580.90’ after a bullish rating and growth outlook from a major brokerage.

- The company's subsidiary Reliance Jio added nearly '20 lakh new subscribers in October 2025', boosting investor confidence in its telecom-to-digital business pipeline.
- RIL's retail arm underwent a senior-level leadership change: A new CEO (from a top e-commerce firm) was appointed to drive its expansion and digital-retail strategy.
- According to a global brokerage, the stock has a target price of ₹1,805, implying substantial upside – driven by improved valuations across its retail, telecom and consumer-business verticals.

RISK ANALYSIS:

- Reliance's refining and petrochemical businesses depend on global oil prices, which can be highly volatile and unpredictable.
 - Jio and Retail require continuous heavy investment; high capex increases financial pressure if returns slow down.
 - Regulatory changes in telecom, retail, or energy can directly affect profitability.
 - Retail expansion faces competition from global and domestic players, reducing margin stability.
 - Debt levels can rise again if new projects or expansions are aggressively funded.
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AMAZON.COM INC

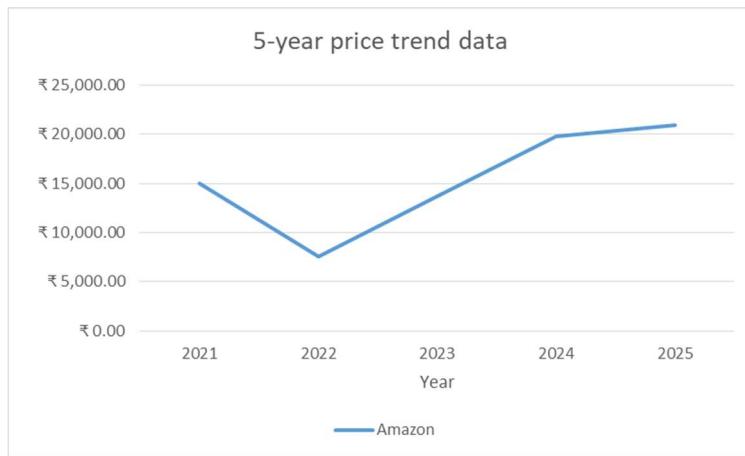
INTRODUCTION:

Amazon is a global technology and e-commerce company that operates in online retail, cloud computing, digital advertising, and artificial intelligence. Its cloud division, AWS, is a major driver of profitability, while its retail network spans across numerous countries. Amazon's scale, technology investments, and strong global brand have made it one of the most valuable and competitive companies in the world.

PRICE TRENDS:

- The current share price (as of early December 2025) is around 'USD 232-233 (INR - ₹ 20,992).
- 52-week high: USD 258.60 and 52-week low: USD 161.38.
- Over the past 12 months: stock price saw a wide swing – from as low as \$161 to near \$258, indicating 'high volatility + strong recovery potential'.

- Recent trends (2025): after the dip to low points earlier in the year, Amazon has ‘rebounded toward mid-200s’, reflecting renewed investor confidence.



PRICE-TO-EARNINGS ANALYSIS (P/E RATIO):

- The trailing-12-month (TTM) P/E ratio of Amazon is around 32 to 33.
- This reflects ‘high growth expectations’ from cloud, AI and e-commerce businesses.
- A higher P/E indicates the stock is ‘valued at a premium’ compared to many global tech peers.
- Investors price Amazon for ‘future earnings expansion’, not just current profits.
- The valuation shows strong ‘market confidence’ in Amazon’s long-term growth potential.

MARKET CAPITALISATION:

- Amazon has a market capitalisation of ‘around USD 2.5 trillion’, making it one of the world’s largest companies.
- This high valuation reflects Amazon’s strong global presence and ‘consistent financial performance’.
- The company’s diversified businesses support a ‘stable and long-term market value’.

PERFORMANCE INDICATORS:

- Amazon continues to deliver strong revenue growth led by ‘AWS, advertising and global e-commerce operations’.
- AWS remains the company’s most profitable segment and ‘drives a major share of total earnings’.

- The business generates strong operating cash flows, showing ‘healthy financial strength’.
- Amazon is expanding aggressively in ‘AI, cloud infrastructure and digital services’, supporting future growth.

RECENT NEWS:

- Analysts recently increased Amazon’s price target to ‘USD 290-305’, indicating a positive outlook.
- AWS and AI-related services continue to gain momentum and ‘attract enterprise demand’.
- The retail division has shown improvement after a period of slower consumer spending.

RISK ANALYSIS:

- Amazon trades at a high valuation, so even a small slowdown in AWS or retail growth can trigger sharp price corrections.
 - Competition from Microsoft Azure and Google Cloud can reduce AWS margins over time.
 - The company’s business model depends on constant reinvestment, meaning thin margins and high operational costs.
 - Global economic slowdowns hit e-commerce and advertising demand, both major revenue sources.
 - Regulatory pressure on data privacy, antitrust, and labour practices can increase costs and restrict operations.
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CONCLUSION:

TCS, Reliance, and Amazon each present strong long-term investment profiles, but they differ sharply in risk level, valuation, and growth drivers. It shows steady price trends, stable margins, and a premium yet reasonable P/E ratio backed by predictable IT service revenues and strong client retention. Its massive market cap and consistent performance make it a reliable low-volatility pick.

Reliance, on the other hand, displays more price fluctuations but also stronger recovery potential. Its diversified businesses—energy, telecom, and retail—support a solid market cap and improving sentiment, with recent news showing strong subscriber additions and strategic restructuring. Its valuation remains moderate for a conglomerate of its scale.

Amazon stands out with higher volatility and a significantly higher P/E ratio, reflecting aggressive growth expectations from AWS, AI, and digital advertising. Its trillion-dollar market cap and strong performance indicators signal global dominance, though premium valuation makes it sensitive to earnings slowdowns.

Overall, TCS offers **stability**, Reliance provides **diversified growth with periodic volatility**, and Amazon delivers **high potential with higher valuation risk**, giving investors three distinct profiles depending on risk appetite and investment horizon.