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TCS share price today: The stock of TCS ([Tata](#) Consultancy Services) traded marginally higher in the mid-morning deals on Tuesday two days after India's largest IT company announced a share buyback of Rs 16,000 crore (TCS share buyback offer). The latest share buyback program is the second mega share buyback by IT giant TCS in last two years. TCS will be buying back as much as 7.61 crore equity shares (TCS share buyback size) by spending nearly Rs 16,000 crore. In the board meeting held on 15 June 2018 (TCS share buyback announcement date), TCS fixed a floor price of Rs 2,100 per equity share which is nearly at a 15% premium over Monday's closing price.

TCS share price today on BSE (Bombay Stock Exchange) gained 0.49% to Rs 1,839.6 after opening marginally lower at Rs 1822.65 from yesterday's closing price of Rs 1,830.7. On NSE, **TCS share price** surged 0.55% to Rs 1,839 after starting slightly lower at Rs 1,822.15 as against a Monday's closing price of Rs 1,829. According to the Monday's closing price, TCS is by far the most valued company listed on Indian bourses, placed above heavyweight firms such as RIL, HDFC Bank, ITC, HUL, Infosys, HDFC, [Maruti Suzuki](#) and SBI. TCS commands a market capitalisation of Rs 7,00,897.26 crore.

TCS share price forecast

TCS share price has surged more than 35% in the current year 2018 to record high levels. While announcing the financial results for the quarter ended 31 March 2018, TCS recommended a final dividend of Rs 29 per equity share and bonus issue in a ratio of 1:1. “With multiple mega deals in the bag, TCS is set to continue on its path of gradual acceleration in growth witnessed over the past two quarters and has the potential to hit double-digit growth in constant currency toward the latter half of the year,” Motilal Oswal Securities said in a research report.

Motilal Oswal has a ‘neutral’ rating on the stock of TCS with a target price of Rs 1,750 per equity share which implies a downside of 4% from Monday’s closing price. Currency movements will also play a key role in helping pull margins back to the aspired range of 26-28%. At 21.6x FY19E and 20.2x FY20E earnings, we remain ‘neutral’ on valuations, Motilal Oswal Securities added.

Also Read | [TCS’ Rs 16,000 crore share buyback: 2nd mega buyback in 2 years; check premium, other details](#)

TCS share buyback details

TCS share buyback offer is 1.99% of the total paid-up capital and the buyback program is likely to be made under tender offer route. TCS share buyback should result in 2% accretion to EPS from a reduction in the share count, domestic research and brokerage firm Motilal Oswal Securities said in a report. The amount of Rs 16,000 crore which is likely to be spent on repurchasing 7.61 crore equity shares is nearly 38% of TCS’ cash balance of Rs 42,600 crore and nearly 18% of net worth.

TCS share buyback acceptance ratio

The acceptance ratio in TCS share buyback is supposed to be high for retail investors with regard to the mandate by Indian capital market watchdog SEBI (Securities and Exchange Board of India) which says companies should reserve 15% of the buyback for small shareholders with stakes worth less than Rs 2 lakh. Motilal Oswal Securities expects a lesser acceptance ratio for institutional holders, further, it is subject to how much the promoter group is tendering in the buyback program.

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