



TATA
CONSULTANCY
SERVICES

Tata Consultancy Services

Financial Modelling and Valuation Report

Prepared By :

Prakash Mallick



TABLE OF CONTENTS

- 1 One Page Profile (Asian Paints Ltd.)
- 2 Historical Financial Statement
- 3 Common Size Statement
- 4 Ratio Analysis
- 5 Forecasting
- 6 Weighted Average Cost of Capital
- 7 Market Return
- 8 Calculation of Intrinsic Growth
- 9 Free Cash Flow to Firm (FCFF)
- 10 Comparable Company Valuation
- 11 Dupont Analysis
- 12 Altman's Z Score Analysis
- 13 Summary
- 14 Sources

TATA CONSULTANCY SERVICES LTD - One Page Profile



Tata Consultancy Services (BSE: 532540, NSE: TCS) is an Indian multinational technology company specializing in IT services and consulting. Headquartered in Mumbai and part of the Tata Group, it operates in 150 locations across 46 countries. With more than five decades of experience, TCS supports large enterprises worldwide through services spanning application development, cloud, AI, engineering, and business process management. The company employs over 607,000 consultants globally and was ranked seventh on the Fortune India 500 list for 2024, reporting revenue of ₹255,324 crore in FY 2024-25.

Key Financial Matrix					Share Price 5 Year	
	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	
Total Sales	164,177.00	191,754.00	225,458.00	240,893.00	255,324.00	
Sales Growth (y-o-y)	4.61%	16.80%	17.58%	6.85%	5.99%	
Gross Profit Margin (%)	43.19%	43.30%	42.60%	40.29%	38.34%	
EBITDA Margins (%)	28.35%	27.67%	26.28%	26.69%	26.40%	
EBIT Margins (%)	25.88%	25.27%	24.06%	24.62%	24.35%	
Net Profit Margins (%)	18.67%	17.96%	17.23%	17.70%	17.56%	
Earning Per Share (In Rs)	82.85	94.10	106.18	117.84	123.92	
EPS Growth (y-o-y)	11.61%	13.58%	12.85%	10.97%	5.16%	
Dividend Per Share (In Rs)	38.01	43.01	115.03	73.04	126.07	
Dividend Growth (y-o-y)	-47.90%	13.16%	167.44%	-36.50%	72.60%	

Key Financial Matrix					Stock Data As on 9th Sept 2025	
	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	
Price to Earnings	77.53x	97.48x	64.51x	50.01x	61.22x	Nifty ₹ 24,868.6
EV/EBITDA	25.22x	25.60x	19.74x	21.73x	19.27x	52 Week H/L (INR) ₹ 4,592.00/₹ 2,992.00
EV/Sales	54.07x	31.56x	32.01x	38.37x	33.83x	Market Cap (In Rs Crs.) 1,104,244.12
Price to Book Value	13.60x	15.35x	12.97x	15.50x	13.77x	O/S Shares In Crs. 361.81
Return on Equity (%)	35.46%	38.63%	42.97%	47.12%	47.32%	Dividend Yield (%) 101.73%
Return on Capital Employed (%)	45.08%	49.97%	55.28%	60.21%	59.69%	NSE CODE TCS

Top 10 Shareholders				Shareholding Pattern		
No. Shares (In Cr)	Holding (%)	Market Value (In Cr)		Public & Govt.	DILs	FII
Tata Sons Private Limited	259.55	71.74%	819399.17	4.80%		
Life Insurance Corporation of India	16.77	4.63%	52929.73			
SBI Funds Management Limited	4.24	1.17%	13370.99			
BlackRock, Inc.	4.04	1.12%	12746.09			
The Vanguard Group, Inc.	2.78	0.77%	8790.81			
Nps Trust	2.17	0.60%	6843.14			
ICICI Prudential Asset Management Compa	2.16	0.60%	6816.78			
HDFC Asset Management Company Limitec	1.78	0.49%	5609.64			
Singapore	1.77	0.49%	5594.70			
Invesco Ltd.	1.59	0.44%	5012.98			

Capital Structure		Volume 5 Years	
Share Price (As on 26th Aug 2025)	3,052.00		
No of Share	361.81		
Market Capitalization	1,104,244.12		
Less: Cash & Equivalent	(₹ 15,463.0)		
Add: Debt	9,392.00		
Add: Minority Interest	244.00		
Enterprise Value	1,129,343.12		

Recent Updates

- TCS reported a net profit of ₹12,760 crore in Q1 FY26, up 6% YoY, with a resilient net margin of 20.1%.
- Revenue stood at ₹63,437 crore, up 1.3% YoY in INR terms, but down 3.1% in constant currency, impacted by BSNL contract ramp-down and weak discretionary spending.
- EBIT margin improved to 24.5% (↑30 bps QoQ), supported by cost optimization, operational efficiency, and currency tailwinds.
- Total Contract Value (TCV) was \$9.4 billion in Q1, a 13.2% YoY increase, reflecting strong deal momentum across verticals.
- TCS declared an interim dividend of ₹11 per share, maintaining its strong shareholder return track record.
- Cash flow conversion remained robust with 100% of net profit converted into operating cash, reinforcing balance sheet strength.
- Workforce stood at 6.13 lakh employees, with net addition of ~6,000 YoY; IT services attrition moderated further to 13.8%.
- Management emphasized AI-led transformation as a growth driver, highlighting platforms like MasterCraft™ (GenAI + Agentic AI), WisdomNext, and SovereignSecure™ Cloud.
- Client focus shifting from AI pilots to ROI-driven large-scale adoption, positioning TCS well for monetization of digital and AI offerings.
- Macro uncertainty and decision-making delays remain near-term headwinds, but management reiterated confidence in the medium-to-long-term demand outlook.

TATA CONSULTANCY SERVICES LTD

(TCS | BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



TATA CONSULTANCY SERVICES LTD

(TCS I BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Cash Flow Statements	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Operating Activities										
Profit from operations	₹ 31,631.00	₹ 33,800.00	₹ 32,885.00	₹ 40,720.00	₹ 42,882.00	₹ 47,031.00	₹ 54,204.00	₹ 59,148.00	₹ 63,709.00	₹ 67,853.00
Receivables	(₹ 2,936.00)	₹ 680.00	(₹ 1,833.00)	(₹ 2,883.00)	(₹ 3,295.00)	₹ 1,059.00	(₹ 5,144.00)	(₹ 7,683.00)	(₹ 3,332.00)	(₹ 5,228.00)
Inventory	-	-	(₹ 5.00)	₹ 16.00	₹ 5.00	(₹ 3.00)	(₹ 12.00)	(₹ 8.00)	-	₹ 7.00
Payables	(₹ 2,039.00)	(₹ 201.00)	(₹ 346.00)	₹ 1,496.00	₹ 446.00	(₹ 93.00)	₹ 186.00	₹ 2,036.00	(₹ 632.00)	₹ 3,718.00
Loans Advances	(₹ 798.00)	-	-	(₹ 499.00)	-	(₹ 17.00)	(₹ 116.00)	₹ 261.00	(₹ 301.00)	(₹ 738.00)
Other WC items	₹ 829.00	(₹ 1,110.00)	₹ 1,975.00	(₹ 299.00)	(₹ 1,823.00)	(₹ 83.00)	₹ 2,317.00	₹ 1,177.00	(₹ 2,617.00)	(₹ 1,118.00)
Direct taxes	(₹ 7,578.00)	(₹ 7,946.00)	(₹ 7,609.00)	(₹ 9,958.00)	(₹ 5,846.00)	(₹ 9,092.00)	(₹ 11,486.00)	(₹ 12,966.00)	(₹ 12,489.00)	(₹ 15,586.00)
Cash From Operating Activities	₹ 19,109.00	₹ 25,223.00	₹ 25,067.00	₹ 28,593.00	₹ 32,369.00	₹ 38,802.00	₹ 39,949.00	₹ 41,965.00	₹ 44,338.00	₹ 48,908.00
Investing Activities										
Fixed assets purchased	(₹ 1,987.00)	(₹ 1,989.00)	(₹ 1,862.00)	(₹ 2,231.00)	(₹ 3,249.00)	(₹ 3,176.00)	(₹ 2,995.00)	(₹ 3,100.00)	(₹ 2,674.00)	(₹ 3,937.00)
Fixed assets sold	₹ 22.00	₹ 36.00	₹ 58.00	₹ 99.00	₹ 161.00	₹ 37.00	₹ 31.00	₹ 37.00	₹ 24.00	₹ 23.00
Investments purchased	(₹ 116,847.00)	(₹ 121,423.00)	(₹ 97,473.00)	(₹ 96,751.00)	(₹ 80,002.00)	(₹ 54,462.00)	(₹ 75,374.00)	(₹ 129,745.00)	(₹ 141,011.00)	(₹ 145,962.00)
Investments sold	₹ 97,154.00	₹ 102,798.00	₹ 103,482.00	₹ 104,133.00	₹ 84,089.00	₹ 51,630.00	₹ 73,852.00	₹ 122,687.00	₹ 147,204.00	₹ 147,695.00
Interest received	₹ 1,816.00	₹ 1,788.00	₹ 2,623.00	₹ 2,619.00	₹ 3,729.00	₹ 2,730.00	₹ 2,700.00	₹ 3,080.00	₹ 2,990.00	₹ 3,056.00
Dividends received	₹ 11.00	₹ 1.00	₹ 9.00	₹ 18.00	₹ 8.00	₹ 8.00	₹ 4.00	₹ 13.00	₹ 26.00	₹ 40.00
Acquisition of companies	-	-	-	(₹ 50.00)	-	-	-	-	-	-
Inter corporate deposits	(₹ 1,460.00)	₹ 1,619.00	(₹ 2,230.00)	(₹ 2,927.00)	(₹ 473.00)	(₹ 3,058.00)	₹ 4,879.00	₹ 5,361.00	₹ 846.00	₹ 170.00
Other investing items	₹ 16,281.00	₹ 275.00	(₹ 1,503.00)	(₹ 3,265.00)	₹ 4,705.00	(₹ 1,665.00)	(₹ 3,835.00)	₹ 2,215.00	(₹ 1,314.00)	(₹ 3,229.00)
Cash From Investing Activities	(₹ 5,010.00)	(₹ 16,895.00)	₹ 3,104.00	₹ 1,645.00	₹ 8,968.00	(₹ 7,956.00)	(₹ 738.00)	₹ 548.00	₹ 6,091.00	(₹ 2,144.00)
Financing Activities										
Proceeds from shares	2	0	0	0	0	0	0	18	425	0
Proceeds from borrowings	0	87	0	0	0	0	0	0	0	0
Repayment of borrowings	-73	0	-19	-181	0	0	0	0	0	0
Interest paid fin	-20	-20	-40	-186	-924	-634	-698	-779	-699	-840
Dividends paid	-9515	-10973	-10760	-11472	-37702	-10907	-13375	-41410	-25218	-44962
Financial liabilities	-60	-66	-24	-13	-1062	-1336	-1417	-1515	-1614	-1664
Other financing items	0	-54	-16042	-16045	-227	-19757	-18091	-4192	-21430	28
Cash From Financing Activities	(₹ 9,666.00)	(₹ 11,026.00)	(₹ 26,885.00)	(₹ 27,897.00)	(₹ 39,915.00)	(₹ 32,634.00)	(₹ 33,581.00)	(₹ 47,878.00)	(₹ 48,536.00)	(₹ 47,438.00)
Net Cash Flow	₹ 4,433.00	(₹ 2,698.00)	₹ 1,286.00	₹ 2,341.00	₹ 1,422.00	(₹ 1,788.00)	₹ 5,630.00	(₹ 5,365.00)	₹ 1,893.00	(₹ 674.00)

TATA CONSULTANCY SERVICES LTD

(TCS | BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Common Size Income Statement - TATA MOTORS LTD

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	100.00%									
Raw Material Cost	0.00%	0.08%	0.07%	0.03%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%
Change in Inventory	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Power and Fuel	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Mfr. Exp	2.37%	2.30%	2.12%	1.52%	1.20%	0.88%	0.59%	0.82%	1.52%	4.54%
Employee Cost	50.94%	52.24%	53.93%	53.42%	54.76%	55.92%	56.09%	56.56%	58.17%	57.10%
Selling and admin	14.35%	13.90%	13.65%	13.92%	13.08%	11.16%	12.09%	12.82%	10.03%	8.12%
Other Expenses	4.11%	4.10%	3.80%	4.13%	4.11%	3.67%	3.54%	3.50%	3.58%	3.82%
Other Income	2.84%	3.58%	2.96%	2.94%	2.93%	1.17%	2.10%	1.53%	1.44%	1.55%
Depreciation	1.74%	1.68%	1.64%	1.40%	2.25%	2.48%	2.40%	2.23%	2.07%	2.05%
Interest	0.03%	0.03%	0.04%	0.14%	0.59%	0.39%	0.41%	0.35%	0.32%	0.31%
Profit before tax	29.31%	29.26%	27.69%	28.38%	26.92%	26.65%	26.95%	25.24%	25.74%	25.59%
Tax	6.90%	6.91%	6.67%	6.83%	6.24%	6.82%	6.90%	6.48%	6.60%	6.48%
Net profit	22.34%	22.29%	20.98%	21.49%	20.61%	19.75%	19.99%	18.69%	19.06%	19.02%
Dividend Amount	7.89%	7.85%	7.76%	7.68%	17.44%	8.56%	8.21%	18.67%	10.97%	17.86%

Common Size Income Statement - TATA MOTORS LTD

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total Liabilities	100.00%									
Equity Share Capital	0.22%	0.19%	0.18%	0.33%	0.31%	0.28%	0.26%	0.26%	0.25%	0.23%
Reserves	80.27%	84.06%	80.80%	78.20%	69.72%	66.21%	62.99%	63.04%	61.95%	59.50%
Borrowings	0.28%	0.28%	0.23%	0.05%	6.80%	6.00%	5.55%	5.38%	5.51%	5.92%
Other Liabilities	19.23%	15.47%	18.79%	21.42%	23.16%	27.51%	31.20%	31.32%	32.28%	34.35%
Total Assets	100.00%									
Net Block	13.34%	11.43%	11.39%	10.79%	17.42%	16.17%	15.11%	14.36%	13.48%	14.53%
Capital Work in Progress	1.89%	1.51%	1.22%	0.85%	0.75%	0.71%	0.86%	0.86%	1.08%	0.97%
Investments	25.85%	41.02%	34.25%	25.75%	21.94%	22.60%	21.63%	26.01%	21.83%	19.52%
Other Assets	23.95%	19.86%	22.58%	27.32%	26.42%	30.20%	19.79%	16.05%	17.63%	18.00%
Receivables	27.27%	22.10%	23.73%	24.01%	25.42%	23.14%	29.67%	34.97%	36.83%	37.22%
Inventory	0.02%	0.02%	0.02%	0.01%	0.00%	0.01%	0.01%	0.02%	0.02%	0.01%
Cash & Bank	7.69%	4.05%	6.81%	11.28%	8.05%	7.18%	12.93%	7.72%	9.13%	9.75%

TATA CONSULTANCY SERVICES LTD

(TCS I BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Years	Ratio Analysis - Asian Paints Ltd.											Mean	Median
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Trend		
SalesGrowth	8.58%	4.36%	18.98%	7.16%	4.61%	16.80%	17.58%	6.85%	5.99%	5.99%		10.10%	7.16%
EBITDA Growth	5.33%	0.63%	21.50%	6.59%	10.54%	13.99%	11.69%	8.50%	4.84%	4.84%		9.29%	8.50%
EBIT Growth	5.33%	0.59%	22.78%	3.02%	10.11%	14.06%	11.94%	9.36%	4.81%	4.81%		9.11%	9.36%
EBT Growth	5.34%	0.52%	22.34%	1.08%	11.12%	13.92%	12.14%	9.49%	4.85%	4.85%		8.98%	9.49%
Net Profit Growth	4.15%	0.46%	22.54%	2.22%	10.02%	12.35%	12.85%	9.73%	5.16%	5.16%		8.83%	9.73%
Dividend Growth	8.05%	6.17%	20.19%	143.33%	-47.90%	13.16%	167.44%	-36.50%	72.60%	72.60%		38.50%	13.16%
Gross Margin	46.69%	45.38%	43.87%	45.03%	44.02%	43.19%	43.30%	42.60%	40.29%	38.34%		43.27%	43.59%
EBITDA Margin	28.24%	27.39%	26.41%	26.97%	26.83%	28.35%	27.67%	26.28%	26.69%	26.40%		27.12%	26.90%
EBIT Margin	26.50%	25.71%	24.78%	25.57%	24.58%	25.88%	25.27%	24.06%	24.62%	24.35%		25.13%	25.02%
EBT Margin	26.47%	25.68%	24.74%	25.43%	23.99%	25.49%	24.86%	23.71%	24.30%	24.04%		24.87%	24.80%
Net Profit Margin	19.56%	18.76%	18.06%	18.61%	17.75%	18.67%	17.96%	17.23%	17.70%	17.56%		18.19%	18.01%
SalesExpenses%Sales	18.45%	17.99%	17.46%	18.05%	17.19%	14.83%	15.63%	16.32%	13.60%	11.94%		16.15%	16.76%
Depreciation%Sales	1.74%	1.68%	1.64%	1.40%	2.25%	2.48%	2.40%	2.23%	2.07%	2.05%		1.99%	2.06%
OperatingIncome%Sales	26.50%	25.71%	24.78%	25.57%	24.58%	25.88%	25.27%	24.06%	24.62%	24.35%		25.13%	25.02%
Return on Capital Employed	40.37%	35.06%	35.73%	41.84%	41.80%	45.08%	49.97%	55.28%	60.21%	59.69%		46.50%	43.46%
Retained Earnings%	59.68%	58.17%	57.06%	58.72%	1.72%	54.12%	54.29%	0.00%	38.02%	0.00%		38.18%	54.21%
Return on Equity%	29.90%	25.68%	26.12%	30.47%	33.11%	35.46%	38.63%	42.97%	47.12%	47.32%		35.68%	34.28%
Self Sustained Growth Rate	17.85%	14.94%	14.90%	17.89%	0.57%	19.19%	20.97%	0.00%	17.91%	0.00%		12.42%	16.39%
Interest Coverage Ratio	872.39x	947.63x	586.58x	189.14x	41.75x	66.69x	61.80x	69.62x	76.24x	78.10x		29899.38%	7716.60%
Debtor Turnover Ratio	4.51x	5.22x	4.94x	5.36x	5.14x	5.46x	4.59x	4.51x	4.50x	4.32x		4.85x	4.76x
Creditor Turnover Ratio	6.40x	7.45x	6.23x	6.00x	5.64x	4.59x	4.36x	5.04x	5.13x	4.68x		5.55x	5.38x
Inventory Turnover	6790.38x	5617.43x	4734.77x	14646.30x	31389.80x	20522.13x	9587.70x	8052.07x	8603.32x	12158.29x		12210.22x	9095.51x
Fixed Asset Turnover	9.23x	10.08x	10.28x	11.92x	7.50x	7.81x	9.00x	10.99x	12.29x	11.08x		10.02x	10.18x
Capital Turnover Ratio	1.53x	1.37x	1.45x	1.64x	1.87x	1.90x	2.15x	2.49x	2.66x	2.69x		1.97x	1.88x
<i>(In days)</i>													
Debtor Days	81	70	74	68	71	67	80	81	81	84		75.69x	76.77x
Payable Days	57	49	59	61	65	80	84	72	71	78		67.48x	67.94x
Inventory Days	0	0	0	0	0	0	0	0	0	0		0.04x	0.04x
Cash Conversion Cycle (in days)	24	21	15	7	6	-13	-4	8	10	7		8.25x	7.93x
CFO/Sales	17.59%	21.38%	20.36%	19.52%	20.62%	23.63%	20.83%	18.61%	18.41%	19.16%		20.01%	19.94%
CFO/Total Assets	21.64%	24.65%	23.84%	25.10%	26.95%	29.85%	28.35%	29.38%	30.48%	30.83%		27.11%	27.65%
CFO/Total Debt	7799.59%	8727.68%	10148.58%	46117.74%	396.00%	497.78%	510.99%	545.85%	552.77%	520.74%		7581.77%	549.31%

TATA CONSULTANCY SERVICES LTD

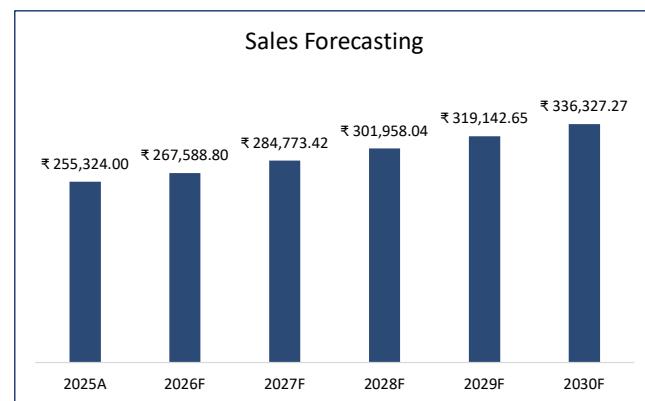
(TCS | BSE Code: 532540)

INR 3052.00

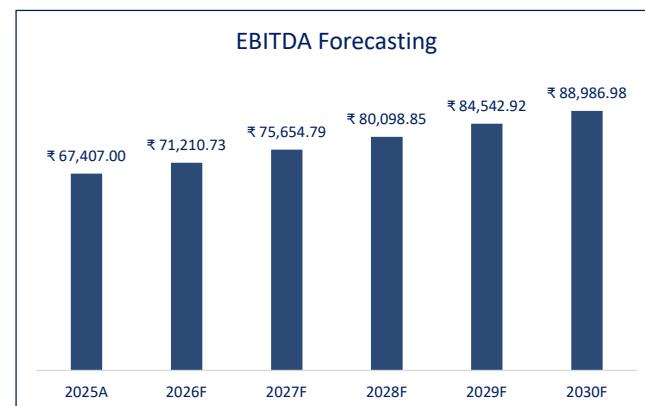
52 Week (High - INR 4,592.00 & Low - 2,992.00)



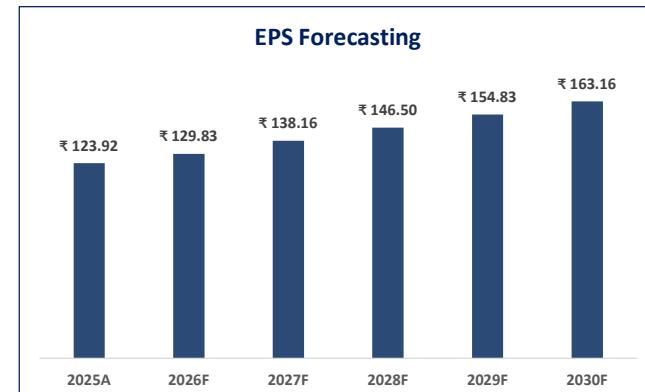
Sales Forecasting			
Year Weight	Year	Sales	Sales Growth
1	2016A	108646	
2	2017A	117966	8.58%
3	2018A	123104	4.36%
4	2019A	146463	18.98%
5	2020A	156949	7.16%
6	2021A	164177	4.61%
7	2022A	191754	16.80%
8	2023A	225458	17.58%
9	2024A	240893	6.85%
10	2025A	255324	5.99%
11	2026F	₹ 267,588.80	4.80%
12	2027F	₹ 284,773.42	6.42%
13	2028F	₹ 301,958.04	6.03%
14	2029F	₹ 319,142.65	5.69%
15	2030F	₹ 336,327.27	5.38%



EBITDA Forecasting			
Year Weight	Year	EBITDA	Sales Growth
1	2016A	30677	
2	2017A	32311	5.33%
3	2018A	32516	0.63%
4	2019A	39506	21.50%
5	2020A	42109	6.59%
6	2021A	46546	10.54%
7	2022A	53057	13.99%
8	2023A	59259	11.69%
9	2024A	64296	8.50%
10	2025A	67407	4.84%
11	2026F	₹ 71,210.73	5.64%
12	2027F	₹ 75,654.79	6.24%
13	2028F	₹ 80,098.85	5.87%
14	2029F	₹ 84,542.92	5.55%
15	2030F	₹ 88,986.98	5.26%



EPS Forecasting			
Year Weight	Year	EPS	Sales Growth
1	2016A	₹ 53.93	
2	2017A	₹ 56.17	4.15%
3	2018A	₹ 58.08	3.41%
4	2019A	₹ 72.62	25.03%
5	2020A	₹ 74.23	2.22%
6	2021A	₹ 82.85	11.61%
7	2022A	₹ 94.10	13.58%
8	2023A	₹ 106.18	12.85%
9	2024A	₹ 117.84	10.97%
10	2025A	₹ 123.92	5.16%
11	2026F	₹ 129.83	4.77%
12	2027F	₹ 138.16	6.42%
13	2028F	₹ 146.50	6.03%
14	2029F	₹ 154.83	5.69%
15	2030F	₹ 163.16	5.38%



TATA CONSULTANCY SERVICES LTD

(TCS I BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Weighted Average Cost of Capital

All figures are in INR unless stated otherwise.

Peer Comps

Name	Country	Total Debt	Total Equity	Tax Rate ¹	Debt/ Equity	Debt/ Capital	Levered Beta ²	Unlevered Beta ³
TCS	India	₹ 9,392.00	₹ 1,121,119.19	25.00%	0.84%	0.83%	0.66	0.65
Infosys	India	₹ 8,485.00	₹ 621,562.27	25.00%	1.37%	1.35%	0.80	0.79
HCL Technologies	India	₹ 6,276.00	₹ 405,620.80	25.00%	1.55%	1.52%	0.48	0.47
Wipro	India	₹ 19,203.50	₹ 262,970.83	25.00%	7.30%	6.81%	0.74	0.70
LTIMindtree	India	₹ 2,187.30	₹ 153,609.80	25.00%	1.42%	1.40%	1.09	1.08
Tech Mahindra	India	₹ 2,025.20	₹ 149,260.67	25.00%	1.36%	1.34%	0.85	0.84
		Average		25.00%	2.31%	2.21%	0.77	0.75
		Median		25.00%	1.39%	1.38%	0.77	0.74

Cost of Debt

Pre-tax Cost of Debt	8.48%
Tax Rate	25.00%
After Tax Cost of Debt	6.36%

Cost of Equity

Risk Free Rate	6.36%
Equity Risk Premium	8.97%
Levered Beta ⁴	0.92
Cost of Equity	14.66%

Capital Structure

		Current	Target
Total Debt	₹ 9,392.00	0.83%	2.21%
Market Capitalization	₹ 1,121,119.19	99.17%	97.79%
Total Capitalization	₹ 1,130,511.19	100.00%	100.00%
Debt / Equity		0.84%	2.26%

Levered Beta

Comps Median Unlevered Beta	0.74
Target Debt/ Equity	2.26%
Tax Rate	25.00%
Levered Beta	0.92

1. Tax Rate considered as Marginal Tax Rate for the country
2. Levered Beta is based on 5 year monthly data
3. Unlevered Beta = Levered Beta/(1+(1-Tax Rate) x Debt/Equity)
4. Levered Beta = Unlevered Beta/(1+(1-Tax Rate) x Debt/Equity)

Weighted Average Cost of Capital

Cost of Equity	14.66%
Equity Weight	97.79%
Cost of Debt	6.36%
Debt Weight	2.21%

WACC

14.47%

TATA CONSULTANCY SERVICES LTD

(TCS | BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Return on Markets

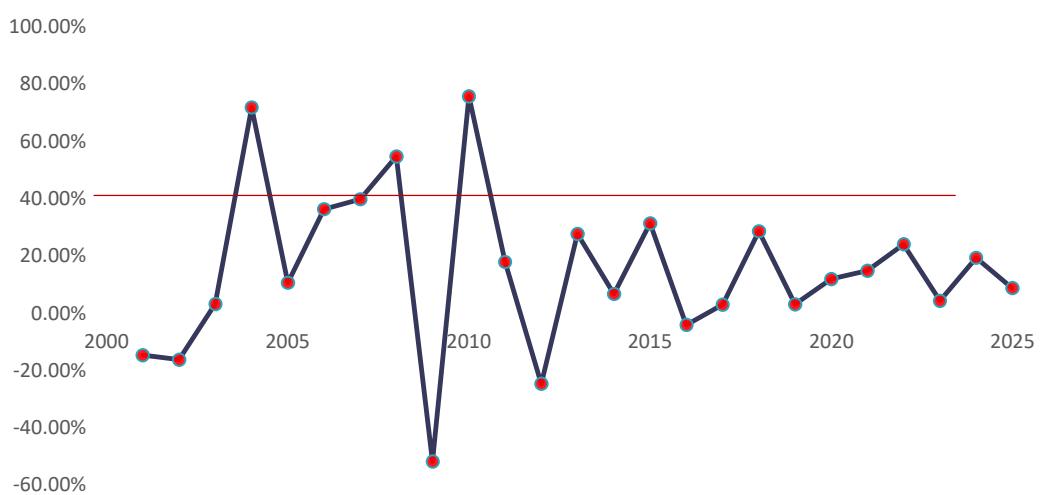
Year

Nifty Return

2001	-14.65%
2002	-16.18%
2003	3.25%
2004	71.90%
2005	10.68%
2006	36.34%
2007	39.83%
2008	54.77%
2009	-51.79%
2010	75.76%
2011	17.95%
2012	-24.62%
2013	27.70%
2014	6.76%
2015	31.39%
2016	-4.06%
2017	3.01%
2018	28.65%
2019	3.15%
2020	12.02%
2021	14.90%
2022	24.12%
2023	4.32%
2024	19.42%
2025	8.75%

Average Return	15.33%
Dividend Yield	1.39% ¹
Total Market Returns	15.33%

Annual Return



TATA CONSULTANCY SERVICES LTD

(TCS | BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Calculation of ROIC	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Current Assets					
Inventories	₹ 8.0	₹ 20.0	₹ 28.0	₹ 28.0	₹ 21.0
Trade receivables +	₹ 30,079.0	₹ 41,810.0	₹ 49,954.0	₹ 53,577.0	₹ 59,046.0
Other asset items	₹ 34,149.0	₹ 24,285.0	₹ 20,836.0	₹ 21,662.0	₹ 23,944.0
Loans n Advances	₹ 5,107.0	₹ 3,600.0	₹ 2,097.0	₹ 3,989.0	₹ 4,612.0
Total Current Assets	₹ 69,343.0	₹ 69,715.0	₹ 72,915.0	₹ 79,256.0	₹ 87,623.0
Current Liabilities					
Trade Payables	₹ 7,860.0	₹ 8,045.0	₹ 10,515.0	₹ 9,981.0	₹ 13,909.0
Advance from Customers	₹ 312.0	₹ 468.0	₹ 543.0	₹ 1,841.0	₹ 1,896.0
Other liability items	₹ 26,917.0	₹ 34,747.0	₹ 32,907.0	₹ 34,310.0	₹ 37,681.0
Total Current Liabilities	₹ 35,089.0	₹ 43,260.0	₹ 43,965.0	₹ 46,132.0	₹ 53,486.0
Net Working Capital	₹ 34,254.0	₹ 26,455.0	₹ 28,950.0	₹ 33,124.0	₹ 34,137.0
Non Current Assets					
Land	₹ 1,041.0	₹ 1,126.0	₹ 1,304.0	₹ 1,294.0	₹ 2,885.0
Building	₹ 18,524.0	₹ 17,007.0	₹ 18,635.0	₹ 19,314.0	₹ 21,379.0
Plant Machinery	₹ 737.0	₹ 770.0	₹ 828.0	₹ 878.0	₹ 993.0
Equipments	₹ 2,587.0	₹ 2,693.0	₹ 2,823.0	₹ 2,982.0	₹ 3,169.0
Computers	₹ 10,873.0	₹ 12,301.0	₹ 13,725.0	₹ 14,544.0	₹ 15,212.0
Furniture n fittings	₹ 3,943.0	₹ 3,968.0	₹ 4,130.0	₹ 4,346.0	₹ 4,628.0
Vehicles	₹ 86.0	₹ 71.0	₹ 93.0	₹ 97.0	₹ 106.0
Intangible Assets	₹ 2,538.0	₹ 3,484.0	₹ 3,750.0	₹ 3,836.0	₹ 4,865.0
Other fixed assets	₹ 122.0	₹ 121.0	₹ 126.0	₹ 127.0	₹ 129.0
Gross Block	₹ 40,451.0	₹ 41,541.0	₹ 45,414.0	₹ 47,418.0	₹ 53,366.0
Accumulated Depreciation	(₹ 19,430.0)	(₹ 20,243.0)	(₹ 24,899.0)	(₹ 27,814.0)	(₹ 30,313.0)
Net Non Current Assets	₹ 21,021.0	₹ 21,298.0	₹ 20,515.0	₹ 19,604.0	₹ 23,053.0
Invested Capital	₹ 55,275.0	₹ 47,753.0	₹ 49,465.0	₹ 52,728.0	₹ 57,190.0
EBIT	₹ 42,481.0	₹ 48,453.0	₹ 54,237.0	₹ 59,311.0	₹ 62,165.0
ROIC	76.85%	101.47%	109.65%	112.48%	108.70%

Calculation of Reinvestment Rate	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Capex	₹ 3,139.0	₹ 2,964.0	₹ 3,063.0	₹ 2,650.0	₹ 3,914.0
Change in Working Capital		(₹ 7,799.0)	₹ 2,495.0	₹ 4,174.0	₹ 1,013.0
EBIT	₹ 42,481.0	₹ 48,453.0	₹ 54,237.0	₹ 59,311.0	₹ 62,165.0
Marginal Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-t)	₹ 31,860.8	₹ 36,339.8	₹ 40,677.8	₹ 44,483.3	₹ 46,623.8
Reinvestment	(₹ 4,835.0)	₹ 5,558.0	₹ 6,824.0	₹ 4,927.0	
Reinvestment Rate%	-13.30%	13.66%	15.34%	10.57%	

4 Year Average 6.57%
4 Year Median 12.12%

Calculation of Growth Rate	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Reinvestment Rate	-13.30%	13.66%	15.34%	10.57%	
ROIC	101.47%	109.65%	112.48%	108.70%	
Intrinsic Growth	-13.50%	14.98%	17.26%	11.49%	

4 Year Average 7.56%
4 Year Median 13.23%

TATA CONSULTANCY SERVICES LTD

(TCS | BSE Code: 532540)

INR 3052.00



52 Week (High - INR 4,592.00 & Low - 2,992.00)

Calculation of PV of FCFF	Mar-25A	Mar-26F	Mar-27F	Mar-28F	Mar-29F	Mar-30F
EBIT	62,165.0	70,392.1	79,707.9	90,256.7	102,201.5	115,727.1
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-t)	46,623.8	52,794.1	59,780.9	67,692.5	76,651.1	86,795.3
Less: Reinvestment Rate	12.12%	10.73%	9.34%	7.95%	6.57%	6.57%
Free Cash Flow to Firm (FCFF)	40,975.0	47,130.1	54,196.7	62,308.3	71,617.7	81,095.7
Mid Year Convention		0.5	1.5	2.5	3.5	4.5
Discounting Factor		0.940	0.830	0.733	0.647	0.572
PV of FCFF		44,290.42	44,978.66	45,666.90	46,355.14	46,355.14

Expected Growth	13.23%
Terminal Growth	5.50%
WACC	14.47%

Calculation of Terminal Value

FCFF(n+1)	91,828.1
WACC	14.47%
Terminal Growth Rate	5.50%

Terminal Value	1,023,374.9
-----------------------	--------------------

Calculation of Equity Value Per Share

PV of FCFF	227,646.3
PV of Terminal Value	584,971.4

Value of Operating Assets	812,617.7
----------------------------------	------------------

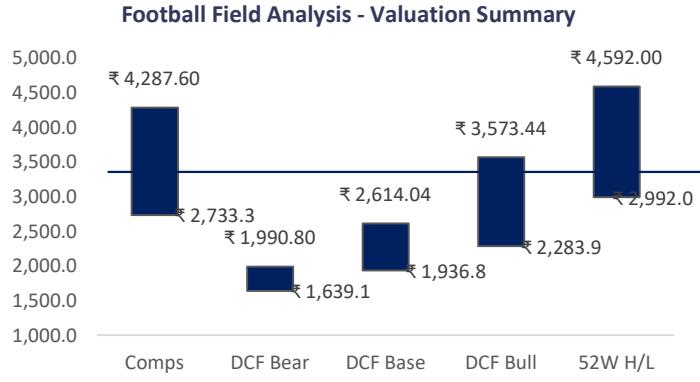
Add: Cash	15,463.0
Less: Debt	-
Value of Shares	828,080.7
No of Shares	361.81

Equity Value Per Share	2,288.7
-------------------------------	----------------

Share Price	3052.00
Discount/Premium	0.33x

Sensitivity Analysis - Enterprise Value				
	12.00%	14.47%	16.00%	18.00%
3.00%	1,020,312.7	800,594.1	706,370.3	612,187.6
4.00%	1,147,851.8	877,059.6	765,234.5	655,915.3
5.50%	1,412,740.7	1,023,725.1	874,553.7	734,625.1
6.00%	1,530,469.0	1,084,157.5	918,281.4	765,234.5
7.00%	1,836,562.9	1,229,292.4	1,020,312.7	834,801.3

Sensitivity Analysis - Equity Value				
	12.00%	14.47%	16.00%	18.00%
3.00%	2,283.9	1,936.8	1,787.9	1,639.1
4.00%	2,485.4	2,057.6	1,880.9	1,708.2
5.50%	2,903.9	2,289.3	2,053.6	1,832.5
6.00%	3,089.9	2,384.7	2,122.7	1,880.9
7.00%	3,573.4	2,614.0	2,283.9	1,990.8



TATA CONSULTANCY SERVICES LTD

(TCS | BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)

Amount in Crores

Comparable Company Valuation



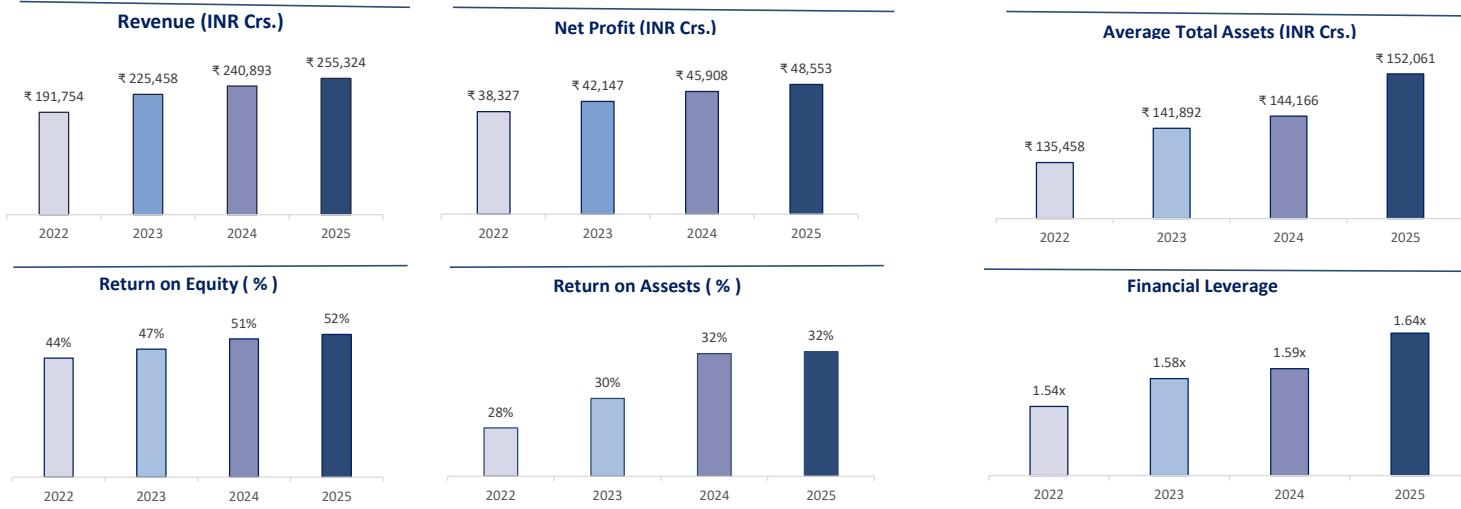
Company	Ticker	Market Data				Financials			Valuation			
		Share Price	Share Outstanding	Equity Value	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E	
TCS		3,102.6	361.8	1,122,551.7	(6,071.0)	1,116,480.7	256,148.0	72,280.0	49,511.0	4.36x	15.45x	22.67x
Infosys		1,496.4	415.4	621,664.4	(15,970.0)	605,694.4	165,954.0	43,544.0	27,300.0	3.65x	13.91x	22.77x
HCL Technologies		1,493.5	271.4	405,291.1	(15,013.0)	390,278.1	119,347.0	27,584.0	16,984.0	3.27x	14.15x	23.86x
Wipro		249.9	1,048.3	261,985.7	7,006.1	268,991.8	89,259.2	22,155.9	13,517.9	3.01x	12.14x	19.38x
LTIMindtree		5,235.0	29.6	155,165.4	(1,400.9)	153,764.5	38,706.1	7,692.9	4,721.5	3.97x	19.99x	32.86x
Tech Mahindra		1,521.3	97.9	148,980.9	(2,517.0)	146,463.9	53,334.0	8,270.0	4,517.0	2.75x	17.71x	32.98x
Persistent Sys		5,347.5	15.6	83,634.9	(714.6)	82,920.3	12,535.1	2,376.7	1,518.7	6.62x	34.89x	55.07x
Oracle Fin.Serv.		8,699.0	8.7	75,594.3	(5,905.8)	69,688.5	6,957.6	3,404.2	2,404.8	10.02x	20.47x	31.43x
Coforge		1,728.2	33.5	57,808.3	187.2	57,995.5	13,418.9	2,111.1	1,153.2	4.32x	27.47x	50.13x
Mphasis		2,854.4	19.0	54,319.2	(496.6)	53,822.6	14,540.0	2,993.7	1,739.3	3.70x	17.98x	31.23x
High										10.02x	34.89x	55.07x
75th Percentile										4.35x	20.35x	32.95x
Average										4.57x	19.42x	32.24x
Median										3.84x	17.84x	31.33x
25th Percentile										3.37x	14.47x	23.04x
Low										2.75x	12.14x	19.38x

Asian Paints Comparable Valuation	EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value	982,878.7	1,289,796.3	1,545,225.8
Net Debt	-6,071.0	-6,071.0	-6,071.0
Implied Market Value	988,949.7	1,295,867.3	1,551,296.8
Shares Outstanding	361.81	361.81	361.81
Implied Value Per Share	2,733.3	3,581.6	4,287.6

Overvalued Undervalued Undervalued

About the Company

Tata Consultancy Services (TCS), part of the Tata Group, is a global IT services, consulting, and business solutions company with operations in 46 countries. For over five decades, it has supported large enterprises worldwide through services spanning application development, cloud, AI, engineering, and business process management.

Financial Summary**Recent Updates :**

- Net profit rose 6% YoY to ₹12,760 crore, supported by cost controls and one-time gains.
- Revenue grew 1.3% YoY to ₹63,437 crore, but in constant currency terms revenue fell 3.1%, showing underlying demand weakness.
- Operating margin at 24.5%, slightly lower YoY (-20 bps) but improved 30 bps QoQ.
- Regional performance was weak, with declines across major markets (India - 21.7%, North America - 2.2%, UK - 1.3%).
- Client spending remains cautious, leading to slower project ramp-ups and missed revenue estimates.
- Interim dividend of ₹11 per share declared, with payout scheduled for August 4, 2025.

Dupont Analysis - Return on Equity & Return on Assets

	Return on Equity (ROE)						
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	31,472.0	32,340.0	32,430.0	38,327.0	42,147.0	45,908.0	48,553.0
Average Shareholder Equity	87,287.0	86,786.0	85,279.5	87,786.0	89,781.5	90,456.5	92,622.5
Return on Equity	36.06%	37.26%	38.03%	43.66%	46.94%	50.75%	52.42%

	Dupont Equation - ROE						
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	31,472.0	32,340.0	32,430.0	38,327.0	42,147.0	45,908.0	48,553.0
Revenue	146,463.0	156,949.0	164,177.0	191,754.0	225,458.0	240,893.0	255,324.0
Net Profit Margin (A)	21.49%	20.61%	19.75%	19.99%	18.69%	19.06%	19.02%
Revenue	146,463.0	156,949.0	164,177.0	191,754.0	225,458.0	240,893.0	255,324.0
Average Total Asset	109,513.5	117,014.0	125,059.5	135,458.0	141,891.5	144,165.5	152,060.5
Assets Turnover Ratio (B)	1.34x	1.34x	1.31x	1.42x	1.59x	1.67x	1.68x
Average Total Assets	109,513.5	117,014.0	125,059.5	135,458.0	141,891.5	144,165.5	152,060.5
Average Shareholder Equity	87,287.0	86,786.0	85,279.5	87,786.0	89,781.5	90,456.5	92,622.5
Equity Multiplier (C)	1.25x	1.35x	1.47x	1.54x	1.58x	1.59x	1.64x
Return on Equity (A*B*C)	36.06%	37.26%	38.03%	43.66%	46.94%	50.75%	52.42%

	Return on Asset (ROA)						
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	31,472.0	32,340.0	32,430.0	38,327.0	42,147.0	45,908.0	48,553.0
Average Total Assets	109,513.5	117,014.0	125,059.5	135,458.0	141,891.5	144,165.5	152,060.5
Return on Asset	28.74%	27.64%	25.93%	28.29%	29.70%	31.84%	31.93%

	Dupont Equation (ROA)						
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	31,472.0	32,340.0	32,430.0	38,327.0	42,147.0	45,908.0	48,553.0
Revenue	146,463.0	156,949.0	164,177.0	191,754.0	225,458.0	240,893.0	255,324.0
Net Profit Margin (A)	21.49%	20.61%	19.75%	19.99%	18.69%	19.06%	19.02%
Revenue	146,463.0	156,949.0	164,177.0	191,754.0	225,458.0	240,893.0	255,324.0
Average Total Assets	109,513.5	117,014.0	125,059.5	135,458.0	141,891.5	144,165.5	152,060.5
Assets Turnover Ratio (B)	1.34x	1.34x	1.31x	1.42x	1.59x	1.67x	1.68x
Return on Assets (A*B)	28.74%	27.64%	25.93%	28.29%	29.70%	31.84%	31.93%

DUPONT SUMMARY**Return on Equity (ROE)**

- Improvement: Rose from 36.06% (Mar'19) to 52.42% (Mar'25), reflecting stronger shareholder returns.

Key Drivers:

- Net Profit Margin:** Increased from 21.49% to 19.02%, indicating better profitability.
- Asset Turnover Ratio:** Stayed stable around 1.3x - 1.7x, showing consistent efficiency.
- Equity Multiplier:** Expanded from 1.25x to 1.64x, highlighting higher leverage usage.

Return on Assets (ROA)

- Improvement: Rose from 28.74% (Mar'19) to 31.93% (Mar'25), showing stronger asset efficiency.

Key Drivers:

- Net Profit Margin:** Grew steadily (as above), boosting returns.
- Asset Turnover Ratio:** Stayed within 1.3x - 1.7x, reflecting stable asset utilization.

TATA CONSULTANCY SERVICES LTD

(TCS | BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Altman's Z Score Analysis

Tata Consultancy Services is the flagship company and a part of Tata group. It 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.

Financial Summary



Recent Updates :

- Net profit rose 6% YoY to ₹12,760 crore, supported by cost controls and one-time gains.
- Revenue grew 1.3% YoY to ₹63,437 crore, but in constant currency terms revenue fell 3.1%, showing underlying demand weakness.
- Operating margin at 24.5%, slightly lower YoY (-20 bps) but improved 30 bps QoQ.
- Regional performance was weak, with declines across major markets (India - 21.7%, North America - 2.2%, UK - 1.3%).
- Client spending remains cautious, leading to slower project ramp-ups and missed revenue estimates.
- Interim dividend of ₹11 per share declared, with payout scheduled for August 4, 2025.

Altman's Z Score Calculation

Working Capital / Total Assets						
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Working Capital	46,925.0	44,110.0	42,908.0	43,969.0	39,200.0	45,580.0
Total Asset	113,901.0	120,127.0	129,992.0	140,924.0	142,859.0	145,472.0
Working Capital / Total Assets (A)	41.20%	36.72%	33.01%	31.20%	27.44%	31.33%
Retained Earnings / Total Asset						
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Retained Earnings	16,001.0	480.0	16,586.0	18,693.0	0.0	16,209.0
Total Asset	113,901.0	120,127.0	129,992.0	140,924.0	142,859.0	145,472.0
Retained Earnings / Total Asset (B)	14.05%	0.40%	12.76%	13.26%	0.00%	11.14%
EBIT / Total Asset						
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
EBIT	37,450.0	38,580.0	42,481.0	48,453.0	54,237.0	59,311.0
Total Asset	113,901.0	120,127.0	129,992.0	140,924.0	142,859.0	145,472.0
EBIT/Total Assets (C)	32.88%	32.12%	32.68%	34.38%	37.97%	40.77%
Market Cap / Total Liabilities						
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Market Cap	751,096.1	685,223.0	1,175,503.0	1,368,466.9	1,173,055.3	1,402,479.3
Long Term Liability	62.0	8,174.0	7,795.0	7,818.0	7,688.0	8,021.0
Market Cap / Long Term Liabilities (D)	1211445.30%	8382.96%	15080.22%	17504.05%	15258.26%	17485.09%
Sales/Total Assets						
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Total Sales	146,463.0	156,949.0	164,177.0	191,754.0	225,458.0	240,893.0
Total Assets	113,901.0	120,127.0	129,992.0	140,924.0	142,859.0	145,472.0
Return on Asset (E)	128.59%	130.65%	126.30%	136.07%	157.82%	165.59%
Altman's Z Score						
	Final Score	53.1	93.4	108.1	94.7	108.4
Financial Stability	Strong	Strong	Strong	Strong	Strong	Strong

Disclaimer : This report is made as part of educational assignment and is meant for educational purpose only. The author of the report is not liable for any losses due to actions taken basis this report. It is advisable to consult SEBI registered research analyst before making any investment.

TATA CONSULTANCY SERVICES LTD

(TCS I BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Value At Risk - Historical

Date	Adj Close	Return	Sorted Return	Calculation of Value at Risk - Asian Paints (Historical)				
				Percentile	Confidence	VAR %	Stock Price	VAR (INR)
15-05-09	155.44	34.80%	15.50%	5.00%	95.00%	-2.60%	3136.34	-79.34
17-07-09	209.54	-43.40%	15.31%	1.00%	99.00%	-5.02%	3210.54	-153.54
20-10-08	118.59	333.18%	13.79%	0.50%	99.50%	-6.09%	3243.04	-186.04
23-04-12	513.71	218.54%	12.21%	10.00%	90.00%	-1.86%	3113.94	-56.94
19-03-20	1636.35	-88.23%	9.85%					
22-01-08	192.66	-34.26%	9.23%					
10-10-08	126.66	-5.35%	9.16%					
27-10-08	119.89	56.07%	8.76%					
15-06-06	187.11	-41.46%	8.67%					
17-10-08	109.54	3.39%	8.26%					
20-11-08	113.25	55.17%	7.93%					
16-07-08	175.73	160.52%	7.57%					
26-08-11	457.82	-67.31%	7.50%					
29-09-08	149.64	1005.45%	7.35%					
03-04-20	1654.2	-86.80%	7.31%					
13-05-08	218.43	0.33%	7.31%					
11-04-08	219.15	1051.47%	7.28%					
01-10-20	2523.45	-95.43%	7.23%					
17-12-08	115.2	284.67%	6.95%					
22-08-11	443.14	-66.04%	6.92%					
29-04-09	150.51	41.91%	6.86%					
11-07-06	213.59	12.95%	6.80%					
29-07-09	241.25	1526.40%	6.67%					
11-07-24	3923.7	-60.13%	6.63%					
19-04-18	1564.39	-75.87%	6.62%					
15-07-10	377.52	-47.34%	6.59%					
24-03-08	198.8	6.08%	6.41%					
31-01-08	210.88	-42.23%	6.38%					
07-01-09	121.83	42.86%	6.37%					
18-09-08	174.05	-24.49%	6.34%					
01-04-09	131.42	21.79%	6.29%					
28-05-09	160.06	-28.01%	6.25%					
12-03-09	115.22	10.18%	6.17%					
25-03-09	126.95	98.74%	6.17%					
20-12-07	252.3	601.35%	6.16%					
22-04-20	1769.5	-87.74%	6.15%					
13-04-06	216.87	-41.30%	6.09%					

Note: VAR is Calculated using 20 year Monthly Returns.

TATA CONSULTANCY SERVICES LTD

(TCS I BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Value At Risk - Monte Carlo Stimulation

Date	Adj Close	Return	Sorted Return	Replication	Simulated Return	Calculation of Value at Risk - Asian Paints (Monte Carlo Simulation)
15-05-09	155.44	34.80%	15.50%	1	0.10%	
17-07-09	209.54	-43.40%	15.31%	2	3.02%	
20-10-08	118.59	333.18%	13.79%	3	-2.02%	Historical Approach
23-04-12	513.71	218.54%	12.21%	4	-0.21%	Mean
19-03-20	1636.35	-88.23%	9.85%	5	-3.02%	Std Deviation
22-01-08	192.66	-34.26%	9.23%	6	-0.98%	Min
10-10-08	126.66	-5.35%	9.16%	7	-1.08%	Max
27-10-08	119.89	56.07%	8.76%	8	0.61%	CMP
15-06-06	187.11	-41.46%	8.67%	9	0.34%	₹ 3,052.0
17-10-08	109.54	3.39%	8.26%	10	-0.91%	
20-11-08	113.25	55.17%	7.93%	11	-5.44%	Monte Carlo Stimulation
16-07-08	175.73	160.52%	7.57%	12	2.21%	Mean
26-08-11	457.82	-67.31%	7.50%	13	1.63%	Std Deviation
29-09-08	149.64	1005.45%	7.35%	14	1.69%	Min
03-04-20	1654.2	-86.80%	7.31%	15	0.60%	Max
13-05-08	218.43	0.33%	7.31%	16	-0.19%	CMP
11-04-08	219.15	1051.47%	7.28%	17	-0.33%	₹ 3,052.0
01-10-20	2523.45	-95.43%	7.23%	18	-1.12%	
17-12-08	115.2	284.67%	6.95%	19	2.54%	Percentile
22-08-11	443.14	-66.04%	6.92%	20	-0.15%	Confidence
29-04-09	150.51	41.91%	6.86%	21	2.30%	VAR %
11-07-06	213.59	12.95%	6.80%	22	1.08%	Stock Price
29-07-09	241.25	1526.40%	6.67%	23	0.57%	VAR (INR)
11-07-24	3923.7	-60.13%	6.63%	24	1.15%	
19-04-18	1564.39	-75.87%	6.62%	25	-2.66%	
15-07-10	377.52	-47.34%	6.59%	26	-2.50%	
24-03-08	198.8	6.08%	6.41%	27	0.56%	
31-01-08	210.88	-42.23%	6.38%	28	3.36%	
07-01-09	121.83	42.86%	6.37%	29	-0.62%	
18-09-08	174.05	-24.49%	6.34%	30	-0.27%	
01-04-09	131.42	21.79%	6.29%	31	1.78%	
28-05-09	160.06	-28.01%	6.25%	32	1.22%	
12-03-09	115.22	10.18%	6.17%	33	-2.94%	
25-03-09	126.95	98.74%	6.17%	34	2.09%	
20-12-07	252.3	601.35%	6.16%	35	-0.82%	
22-04-20	1769.5	-87.74%	6.15%	36	-0.15%	
13-04-06	216.87	-41.30%	6.09%	37	0.86%	
26-11-08	127.3	18.35%	6.06%	38	1.29%	
15-07-05	150.66	63.11%	5.91%	39	2.94%	

Note: VAR is Calculated using 15 year Monthly Returns.



TATA CONSULTANCY SERVICES LTD

(TCS | BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Summary

The valuation of Tata Consultancy Services Ltd. was performed using a hybrid approach, combining Discounted Cash Flow (DCF) and Relative Valuation methodologies. This comprehensive analysis incorporated sector-specific assumptions, relevant regulatory benchmarks, and prevailing trends within the Indian paints industry.

Key Assumptions:

1. The terminal growth rate has been aligned with the Reserve Bank of India's long-term GDP growth projection for India, offering a stable and economy-linked outlook.
2. The Cost of Equity is estimated using the CAPM, with the 10-year government bond yield as the Risk-Free Rate and a levered beta based on comparable companies and regression analysis.
3. A tax rate of 30% has been considered for operating metrics, with a marginal tax rate of 25% applied in valuation related calculations.
4. The Value at Risk (VaR) calculation is Based Monthly Returns.

Valuation Outcomes :

1. Discounted Cash Flow (DCF) Results

- A. Enterprise Value : ₹ 1,167,333.17
- B. Equity Value per Share : ₹ 3,052.00
- C. WACC (Weighted Average Cost of Capital) : 14.47%
- D. 4 Year Median Reinvestment Rate : 12.12%
- E. 4 Year Median Intrinsic Growth Rate: 13.23%

The Discounted Cash Flow (DCF) analysis estimates the stock's intrinsic value at ₹ 2,288.70 per share. In contrast, the current market price, as of 22 Aug 2025, stands at ₹ 3,157.00. This indicates that the stock is trading at a substantial premium to its fundamental valuation. Such a disparity suggests that the market may be pricing in factors beyond the base-case financial projections—such as strong brand equity, investor sentiment, or anticipated growth opportunities—which are not fully reflected in the DCF model.

2. Relative Valuation Results

- A. EV/Revenue Based Value : ₹ 2733.3
- B. EV/EBITDA-Based Value: ₹ 3581.6
- C. P/E-Based Value: ₹ 4287.6
- C. Current Market Price : ₹ 3,052.0

Based on relative valuation, the stock appears fairly priced to slightly undervalued, especially on an earnings basis (EV/EBITDA and P/E). However, the DCF model highlights fundamental downside risk, meaning investors must weigh whether market optimism and peer multiples justify paying above intrinsic cash flow value. The decision depends on whether you believe the company can sustain high earnings growth and industry leadership.

Disclaimer:

This report has been created solely for academic purposes as part of an educational exercise. It is intended to facilitate learning and illustrate financial analysis techniques. The financial model, valuation analysis, and related commentary are based on publicly accessible information, reasonable assumptions, and commonly used financial methods.

This document does not serve as investment advice, stock recommendations, or financial guidance. Readers should independently verify the information and seek advice from a qualified financial professional before making any investment decisions. Neither the author nor the associated academic institution accepts responsibility for the accuracy, completeness, or future relevance of the content provided.

TATA CONSULTANCY SERVICES LTD

(TCS | BSE Code: 532540)

INR 3052.00

52 Week (High - INR 4,592.00 & Low - 2,992.00)



Summary

Sources of Data and Information :

The preparation of this financial model for Asian Paints Ltd. has been based on data and insights obtained from the following credible and publicly accessible sources:

1. Financial Data Platforms:

- A. [Screener.in](#) - Comprehensive financial statements, valuation metrics, and historical performance data.
- B. [Primeinvestor.in](#) - In-depth equity research and stock analysis
- C. [Investing.com](#) - Market data, historical prices, and macroeconomic indicators.
- D. [Equitymaster.com](#) - Independent research reports and market insights.
- E. [NSEIndia.com](#) - Official exchange-provided stock prices, corporate filings, and market announcements.

2. Official Corporate Disclosures:

- TCS Annual Report 2024–2025 – Detailed financial statements, management commentary, strategic initiatives, and operational updates directly issued by the company.

3. Financial News Outlets:

- [The Times of India](#) - Business news and industry coverage.
- [The Economic Times](#) - Market trends, company developments, and economic updates.
- [Moneycontrol](#) - Real-time market information, analyst opinions, and financial news.

4. Rationale for Source Selection:

- All sources have been chosen based on their reputation for accuracy, reliability, and timeliness in financial reporting.
- The combination of corporate disclosures, independent research, and market news ensures a balanced and well-substantiated foundation for the financial model.

Disclaimer:

This report has been created solely for academic purposes as part of an educational exercise. It is intended to facilitate learning and illustrate financial analysis techniques. The financial model, valuation analysis, and related commentary are based on publicly accessible information, reasonable assumptions, and commonly used financial methods.

This document does not serve as investment advice, stock recommendations, or financial guidance. Readers should independently verify the information and seek advice from a qualified financial professional before making any investment decisions. Neither the author nor the associated academic institution accepts responsibility for the accuracy, completeness, or future relevance of the content provided.