


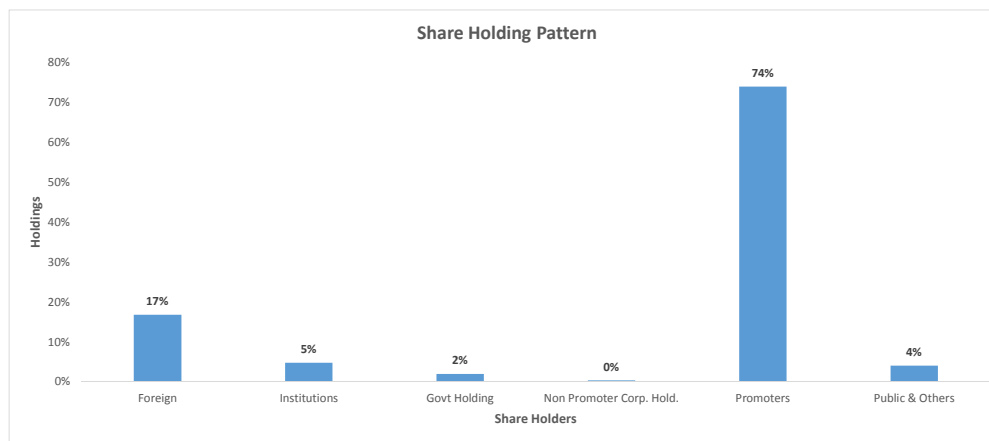
<p align="center"><b>Research Report</b></p>	 <p align="center"><b>Spearhead FinServe</b> PRIVATE LIMITED <small>A subsidiary of Spearhead Services Pvt Ltd</small></p>																
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<p align="center"><b>Company Overview</b></p> <p>» Incorporated in the year 1968, TCS is the India's first and largest IT services provider dealing with the a range of IT services, outsourcing and business solutions.</p> <p>» With its global presence the company carries over its operations through 224 offices in 46 countries and 149 solution centers in 25 countries catering its services to segments such as banking, financial services and insurance; manufacturing; retail and distribution, and telecom.</p> <p>» With the contribution of new growth markets accounting to 12% of the overall revenue, the company plans to expanding further into Asia-Pacific, Latin America, and the Middle East and Africa due to the infancy of these markets</p>	<p align="center"><b>Financials</b></p> <table> <tr> <td>EPS ( Rs )</td><td align="right">100</td></tr> <tr> <td>Book Value ( Rs )</td><td align="right">225</td></tr> <tr> <td>P/E</td><td align="right">25</td></tr> <tr> <td>P/BV</td><td align="right">12</td></tr> <tr> <td>ROE</td><td align="right">42</td></tr> <tr> <td>ROCE ( % )</td><td align="right">60</td></tr> <tr> <td>Dividend Yield ( % )</td><td align="right">1</td></tr> <tr> <td>Debt - Equity</td><td align="right">-</td></tr> </table>	EPS ( Rs )	100	Book Value ( Rs )	225	P/E	25	P/BV	12	ROE	42	ROCE ( % )	60	Dividend Yield ( % )	1	Debt - Equity	-
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<p align="center"><b>Industry Overview</b></p> <p>» With India as one of the fastest-growing IT services markets in the world and the largest sourcing destination, it accounts to approximately 52 per cent of the US\$ 124-130 billion market.</p> <p>» The industry grew at a compound annual growth rate (CAGR) of 13.1 per cent during FY08-13 and is expected to add revenues of US\$ 13-14 billion to the existing revenues by FY15.</p> <p>» With Indian IT's core competencies and strengths placed on the international canvas it attracts investments from major countries resulting in the FDI in Computer Hardware and Software amounting to US\$ 13,238.58 million between April 2000 and September 2014.</p> <p>» The Government of India has played a key role with public funding of a large, well trained pool of engineers and management personnel who could forge the Indian IT industry with an estimated spending on IT to reach reach US\$ 7.2 billion in 2015, a five per cent increase over 2014.</p> <p>» Emerging technologies present an entire new gamut of opportunities for IT firms in India. Social, mobility, analytics and cloud (SMAC) collectively provide a US\$ 1 trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30 per cent to around US\$ 650-700 billion by 2020</p>	<p align="center"><b>Highlights</b></p> <table> <tr> <td>Debt ( Rs Cr )</td><td align="right">115</td></tr> <tr> <td>Reserves ( Rs Crs )</td><td align="right">43,856</td></tr> <tr> <td>FII Holdings ( % )</td><td align="right">17</td></tr> <tr> <td>MF Holdings ( % )</td><td align="right">1</td></tr> <tr> <td>Free Float Market Capitalization ( Rs Cr )</td><td align="right">130,155</td></tr> <tr> <td>Beta</td><td align="right">0.2</td></tr> <tr> <td>Avg Volume Per day ( no. of shares )</td><td align="right">953,700</td></tr> <tr> <td>Avg Volume Per Month ( no. of shares )</td><td align="right">27,018,234</td></tr> </table>	Debt ( Rs Cr )	115	Reserves ( Rs Crs )	43,856	FII Holdings ( % )	17	MF Holdings ( % )	1	Free Float Market Capitalization ( Rs Cr )	130,155	Beta	0.2	Avg Volume Per day ( no. of shares )	953,700	Avg Volume Per Month ( no. of shares )	27,018,234
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<p align="center"><b>Key Highlights</b></p> <p>» Tata Consultancy Services announced the launch of its User Experience Center of Excellence at TCS's Seven Hills Park Delivery Center in Milford, Ohio, providing end-to-end consulting and implementation services to customers seeking innovation and ease of use in further leveraging SAP applications</p> <p>» The growing adoption of IT services in Continental Europe and the emerging markets provides a long-term growth avenue for TCS, the company is expected to supplement its organic growth in these markets with acquisitions</p>																	
<p align="center"><b>Key Risks</b></p> <p>» High competition from its peers such as Infosys , Wipro etc..</p> <p>» Restrictive immigration reform could reduce TCS' ability to use offshore leverage for onshore work</p> <p>» Currency Fluctuations</p>																	

## Financial Highlights

Income Statement ( Annual )					
Particulars ( Rs. Cr )	2014	2013	2012	2011	2010
Net Sales	64,673	48,426	38,104	29,275	23,044
EBITDA	24,648	16,537	14,071	9,258	6,849
EBITDA Margin	38	34	37	32	30
Depreciation	1,081	803	688	538	469
Interest	23	31	16	20	10
Other Income	3,115	2,230	2,685	495	178
PBT	23,544	15,703	13,366	8,700	6,370
APAT	18,475	12,786	10,976	7,570	5,619
PAT Margin ( % )	29	26	29	26	24
Earnings Per Share	90	62	52	36	25

Balance Sheet					
Particulars ( Rs. Cr )	2014	2013	2012	2011	2010
Equity Share Capital	196	296	296	296	296
Reserves and Surplus	43,856	32,267	24,561	19,284	14,821
<b>Tangible Net Worth</b>	<b>1,043</b>	<b>649</b>	<b>405</b>	<b>189</b>	<b>36</b>
Deferred Tax Liability :	227	168	118	69	40
Long Term Debt	89	82	93	32	29
ShortTerm Debt	27	90	11	9	6
<b>Total Debt</b>	<b>115</b>	<b>172</b>	<b>104</b>	<b>41</b>	<b>36</b>
Current Liabilities	6,412	5,514	4,439	3,733	3,313
Total Provisions	5,828	3,896	4,389	2,414	3,927
<b>Total Liabilities</b>	<b>45,137</b>	<b>33,256</b>	<b>25,313</b>	<b>19,827</b>	<b>15,152</b>
Gross Block	11,316	9,183	7,282	6,030	4,871
Net Fixed Assets	5,929	5,104	4,064	3,422	2,761
<b>Investments</b>	<b>5,832</b>	<b>6,324</b>	<b>5,688</b>	<b>5,795</b>	<b>7,893</b>
<b>Current Assets</b>	<b>21,861</b>	<b>13,572</b>	<b>7,170</b>	<b>4,086</b>	<b>3,545</b>
Deferred Tax Asset :	274	148	140	52	53
Receivables	14,472	11,202	9,108	4,807	3,332
Inventories	9	6	4	5	7
Cash	12,566	4,054	3,280	3,121	3,396
<b>Total Assets</b>	<b>45,137</b>	<b>33,256</b>	<b>25,313</b>	<b>19,827</b>	<b>15,152</b>

Income Statement ( Quarterly )								
Particulars ( Rs. Cr )	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	16,894	16,693	16,608	14,479	12,649	12,391	11,949	11,437
EBITDA	6,251	6,432	7,262	4,703	4,019	4,142	4,738	3,638
EBITDA Margin	37	39	44	32	32	33	40	32
Depreciation	297	280	262	241	215	207	198	183
Interest	5	4	10	5	9	4	13	4
Other Income	686	653	1,514	262	454	457	1,149	171
PBT	5,949	6,148	6,991	4,457	3,795	3,932	4,526	3,451
APAT	4,629	4,777	5,608	3,462	3,015	3,226	3,734	2,812
PAT Margin ( % )	27	29	34	24	24	26	31	25
Earnings Per Share	24	24	29	18	15	16	19	14

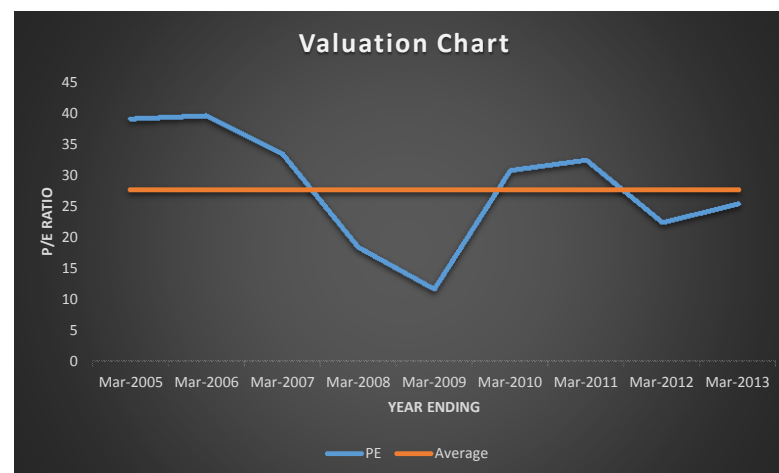
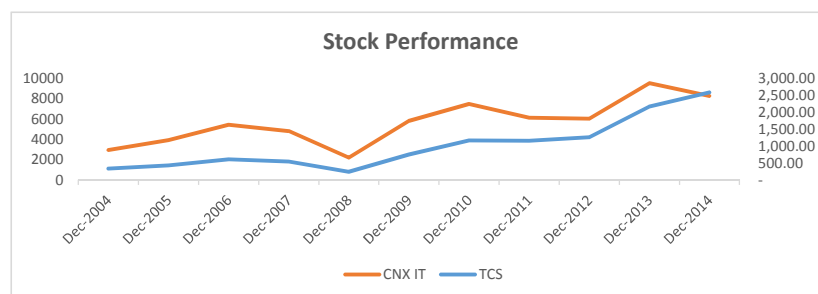


Key Financial Indicators						
Particulars	Units	2013	2012	2011	2010	2009
Revenue	Crs	64,673	48,426	38,104	29,275	23,044
EBITDA Margins	%	38	34	37	32	30
PAT	Crs	18,475	12,786	10,976	7,570	5,619
PAT Margins	%	29	26	29	26	24
Revenue Growth	%	34	27	30	27	3
EBITDA Growth	%	49	18	52	35	23
PAT Growth	%	44	16	45	35	20
Gearing	times	-	-	-	-	-
ROCE	%	60	54	59	50	45
ROE	%	42	39	44	39	37

Peer Comparison				
Particulars	Units	TCS	Infosys	Wipro
Revenue	Rs Cr	64,673	44,341	38,766
EBITDA Margins	%	38	34	28
PAT	Rs Cr	18,475	10,194	7,269
PAT Margins	%	29	23	19
Gearing	%	-	-	0
EPS	Rs / Share	100	102	34
PE	times	26	20	16
P/BV	times	12	5	5
ROCE	%	60	36	31
ROE	%	42	24	25
EV/EBITDA	times	16	11	12

#### Stock Performance vis-a-vis Index

Particulars	Return	
	YTD	QTD
TCS	-1%	-4%
CNX IT	35%	16%



## Technical Outlook



## Disclaimer

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