

# TCS becomes first \$100-b IT company

Beats rival Accenture; has given returns of 1,260% in 14 years

**VARUN AGGARWAL**

Mumbai, April 23

Fourteen years after it listed its shares, IT behemoth Tata Consultancy Services has become the first and only Indian company in the sector to cross market capitalisation of \$100 billion.

The crown jewel of the Tata Group has surpassed its global rival in the IT services space, Accenture, in market valuation.

TCS, which listed on August 25, 2004, had a stellar debut, claiming a 27 per cent premium to its issue price of ₹850. Even at listing, the company was worth over \$10 billion, with revenues of over \$1 billion.

Rebasing the listing price to adjust for two bonus issues, in July 2006 and June 2009, each in the ratio of 1:1, the stock has given returns of around 1,260 per cent in about 14 years.

After posting staggering fourth-quarter results on Thursday, TCS made history, with its market-cap soaring to ₹6,79,332 crore in intra-day trade on Monday before closing at ₹6,53,767 crore.

"It is a very proud moment for all of us," Tata Sons Chairman N Chandrasekaran said in a statement. "TCS has been able to create value consistently by making the right investments, not only in terms of technology, but also in terms of creating capabilities, building leadership and talent, seeding new markets and devel-

## Where the peers stand



## TCS scrip over 14 years



Listing price rebased to adjust for two bonus issues

oping scalable world-class solutions. I would like to thank our shareholders for their continued support."

As organisations are transforming into real-time enterprises driven by data, analytics and automation irrespective of their business, TCS is well positioned to make an impact and continue to deliver value, he added.

According to PTI, TCS is the country's most valued firm, followed by RIL with a market capitalisation of ₹5,92,428 crore, HDFC Bank (₹5,01,644 crore), ITC (₹3,35,801 crore) and Hindustan Unilever Ltd (₹3,14,939 crore) in the top-five list.

[More on p5](#)

# TCS: On a stellar run since 2004 listing

VARUN AGGARWAL

Mumbai, April 23

IT services giant Tata Consultancy Services, which on Monday became the first Indian IT company to cross a market capitalisation of \$100 billion, has had a stellar run since its listing on August 25, 2004.

Rebasing the listing price to adjust for two bonus issues, in July 2006 and June 2009, each in the ratio of 1:1, the TCS stock has given returns of around 1,260 per cent in about 14 years.

## Consistent performance

“With its consistently superior financial performances, it is no surprise that the stock has been rewarded by the street, particularly for its consistency,” said Harit Shah, Senior Analyst - IT, Reliance Securities.

“Over the past five-odd years, TCS’ average forward PE multiple stands at 19.3x vs 16x for Infosys, implying an average PE premium of over 20 per cent for Tata Consultancy Services.

“For such a large firm in a maturing industry to be able to maintain and even enhance profitability over so many years, and to be able to deliver well above industry revenue growth, is no mean feat. We expect the IT major’s

## Crossing milestones



strong processes, execution engine and operational efficiency to drive its performances going forward as well, given that these factors are structural and give it a competitive advantage versus its peers.”

The TCS stock rose 6.8 per cent last Friday, after the company reported a positive business outlook for FY19, along with stable margins.

“With robust deal wins and greenshoots in the banking, financial services and insurance (BFSI) sector, there is the definite possibility of double-digit revenue growth,” Edelweiss Research said in a note.

“With growth acceleration, scale up in digital and support from currency, margins are ready for uptick as well, implying the return of double-digit revenue/earnings growth after three years,” it said.