

## Tata Consultancy Services Ltd – Buy Back Note

Industry: Information Technology

Date: 16<sup>th</sup> Nov, 2023

### BUY BACK DETAILS

TCS announced a buy back up of 4,09,63,855 fully paid-up equity shares having face value of ₹1 each at ₹4,150 per equity share for an amount equivalent to ₹17,000 crore.

This is TCS, fifth buyback of shares in the last six year. It will represent 1.12% of the total paid-up equity share capital.

Details of Buy Back		Shareholding pattern	
Current Market Price	Rs. 3517	Promoters	72.30%
Buy Back Price	Rs. 4150	FII's	12.47%
Premium to the CMP	18%	DII's	10.01%
Shares to be bought back	4,09,63,855	Public	5.22%
% Of Paid up share capital	1.12%	<b>Prominent Shareholders</b>	
Buyback Size	Rs. 17,000 Cr	Life Insurance Corporation of India	4.81%

### TAKE AWAY

As per shareholding data available in FY 2022-23 annual report, acceptance ratio comes to around 3% for retail shareholders.

Total No of Shares	3,65,89,41,631
Shares to be bought back	4,09,63,855
% Of Paid-up share capital	1.12%
Reservation for Retail Shareholding	15%
Public Shareholding	5.17%
Maximum shares that can be bought back from Retail Category	61,44,578
Minimum Acceptance Ratio	3%

### Profitability Scenario

Investment in 100 shares	Rs. 3,51,700
Minimum no. of shares that will be bought back	3 shares
CMP	Rs. 3,517
Buy Back Price	Rs. 4,150
Profit on Accepted Buy Back	Rs. 1900
Profit	0.54%

- Please note above scenario is worked out based on CMP of TCS (3517) holding the same on buy back tender date which is 25/11/2023.
- Any upside on per share price will be add-on profits.
- Any slippage below 3475 will result in portfolio loss, protected till the total amount of Rs. 1900 which works out to be 0.54% of assumed investment (100 shares @ Rs. 3517 per share).

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