

TCS (TCS) – ADD

Company Update

Current Market Price (CMP)

Rs.3,904

Target Price

Rs.4,300

Rationale:

- TCS is well-balanced on growth and margins.
- Sharp increase in revenue of Diligenta subsidiary.
- Scope available for pyramid improvement from lows of FY24.
- Additional sites added to the BSNL deal.
- Well-positioned for industry-leading growth and margin expansion.
- We retain ADD at fair value of Rs4,300, valuing at 26x Jun 2026E earnings.

Company update:

Positives:

- We expect healthy growth in CY24, driven by the expanded deal with Aviva, which involves incremental scope to service 30 lakh policies.
- BSNL deal ramp up in H2FY24 & would be a significant growth driver in FY25E.
- TCS BaNCS had a strong year, with 29 new wins and a record 38 go-lives.

Negatives:

- YoY decline in new wins for Ignio.

AR: Annual Report.

[Click here](#)

For detailed report dated 12th May 2024. Note: CMP & valuation may differ due to difference in dates.



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Holding period: 12 months. Disclaimer: <https://bit.ly/research-v2>