

# TCS board to mull buyback tomorrow

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**INDIA'S LARGEST IT** services firm Tata Consultancy Services' board will meet later this week to consider a share buyback proposal. "...the board of directors will consider a proposal for buyback of equity shares of the company, at its meeting to be held on October 7, 2020," Tata Consultancy Services (TCS) said in a regulatory filing on Sunday night.

No other details of the buyback plan were disclosed.

The board is also slated to consider its financial results for the September quarter and declaration of a second interim dividend to the equity shareholders at that meeting.

In 2018, the Mumbai-

## Top buybacks

Acquired amount (₹ cr)

TCS	16,000
Sep 6, 2018	
TCS	16,000
May 18, 2017	
Infosys	13,000
Nov 30, 2017	
Wipro	11,000
Nov 29, 2017	
Wipro	10,500
Aug 14, 2019	
Infosys	8,260
Mar 20, 2019	

Source: primedatabase.com

based company had undertaken a share buyback programme worth up to ₹16,000 crore. The buyback, at ₹2,100 per equity share, had entailed up to 7.61 crore shares.

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In 2017 too, TCS had undertaken a similar share purchase programme. TCS had announced the mega buyback offer as part of its long-term capital allocation policy of returning excess cash to shareholders.

In a separate filing, TCS said in the EPIC Systems Corporation matter, it would be providing ₹1,218 crore as exceptional item, in the financial results for the three and six months ended September 30, 2020.

In October 2014, EPIC had filed a legal claim against TCS in the court of Western District Madison, Wisconsin alleging infringement of Epic's proprietary information.

"On August 20, 2020, the US Court of Appeals, 7th Circuit,

Chicago, returned a verdict on the appeal filed by TCS, reducing the damages award. The Court held that the punitive damages award of \$280 million is constitutionally excessive, vacated the punitive damages award and directed the Trial Court to reassess the punitive damages," TCS said in its filing.

The court upheld the compensatory damages award of \$140 million, it added.

"TCS is legally advised that it has the correct and the strongest possible arguments in its favour and the Order and reduced damages are not supported by facts presented during the Trial. In September 2020, TCS has filed petition seeking re-hearing on both compensatory and punitive damages," TCS said.

The company said EPIC has also filed a petition seeking re-hearing on the decision of the Appeals Court invalidating award of punitive damages

exceeding the amount of compensatory damages. "The provision in the books for legal claim is being made as a matter of prudence," it added. The matter relates to a US grand jury order that slapped two Tata group companies — TCS and Tata America International Corp — with a \$940-million fine in a trade secret lawsuit filed against them by EPIC in April 2016.