

# Directors' Report

To the Members,

The Directors present this Integrated Annual Report of Tata Consultancy Services Limited ("the Company" or "TCS") along with the audited financial statements for the financial year ended March 31, 2024.

The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## 1. Financial results

(₹ crore)

	Standalone		Consolidated	
	Financial Year 2023-24 (FY 2024)	Financial Year 2022-23 (FY 2023)	Financial Year 2023-24 (FY 2024)	Financial Year 2022-23 (FY 2023)
Revenue from operations	2,02,359	1,90,354	2,40,893	2,25,458
Other income	7,273	5,328	4,422	3,449
<b>Total income</b>	<b>2,09,632</b>	<b>1,95,682</b>	<b>2,45,315</b>	<b>2,28,907</b>
<b>Expenses</b>				
Operating expenditure	1,46,512	1,39,357	1,76,597	1,66,199
Depreciation and amortisation expense	3,887	3,940	4,985	5,022
<b>Total expenses</b>	<b>1,50,399</b>	<b>1,43,297</b>	<b>1,81,582</b>	<b>1,71,221</b>
Profit before finance costs, exceptional item and tax	59,233	52,385	63,733	57,686
Finance costs	673	695	778	779
<b>Profit before exceptional item and tax</b>	<b>58,560</b>	<b>51,690</b>	<b>62,955</b>	<b>56,907</b>
<b>Exceptional item</b>				
Settlement of legal claim	958	-	958	-
<b>Profit before tax</b>	<b>57,602</b>	<b>51,690</b>	<b>61,997</b>	<b>56,907</b>
Tax expense	14,043	12,584	15,898	14,604
<b>Profit for the year</b>	<b>43,559</b>	<b>39,106</b>	<b>46,099</b>	<b>42,303</b>
<b>Attributable to:</b>				
Shareholders of the Company	43,559	39,106	45,908	42,147
Non-controlling interests	NA	NA	191	156
<b>Opening balance of retained earnings</b>	<b>62,228</b>	<b>68,949</b>	<b>74,722</b>	<b>78,158</b>
<b>Closing balance of retained earnings</b>	<b>55,173</b>	<b>62,228</b>	<b>70,033</b>	<b>74,722</b>

## 2. Return of surplus funds to Shareholders

In line with the practice of returning substantial free cash flow to shareholders and based on the Company's performance, the Directors have declared three interim dividends of ₹9 per equity share and a special dividend of ₹18 aggregating to ₹45 per equity share involving a cash outflow of ₹16,355 crore during the year. The Directors have also recommended a final dividend of ₹28 per equity share. The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹10,131 crore. The total dividend for FY 2024 amounts to ₹73 per equity share and would involve a total cash outflow of ₹26,486 crore, resulting in a dividend payout of 60.8 percent of the standalone profits of the Company.

In addition to the above, the Company bought back 4,09,63,855 equity shares at a price of ₹4,150 per equity share

for an aggregate consideration of ₹17,000 crore. The offer size of the Buyback was 24.5% and 20.5% of the aggregate fully paid-up share capital and free reserves as per audited condensed standalone interim financial statements and audited condensed consolidated interim financial statements of the Company as on September 30, 2023, respectively. The Buyback represented 1.1% of the total issued and paid-up Equity Share capital of the Company, as on September 30, 2023. The settlement of bids and payment of buyback consideration was made on December 12, 2023 and the shares were extinguished on December 13, 2023.

The Shareholders' payout with respect to dividend and buyback including tax on buyback (excluding transaction costs, other incidental and related expenses) aggregated to ₹47,445 crore, resulting in a payout of 108.9 percent of the standalone profits of the Company.