

April 15, 2024



TATA CONSULTANCY SERVICES

Current Price: ₹ 4000.30

STOCK DATA

BSE Code	532540
NSE Symbol	TCS
Reuters	TCS.BO
Bloomberg	TCS IN

VALUE PARAMETERS

52 W H/L(Rs)	4254.45/3070.30
Mkt. Cap.(Rs Cr)	1447343.50
Latest Equity(Subscribed)	361.81
Latest Reserve (cons.)	100274
Latest EPS (cons.) -Unit Curr.	125.99
Latest P/E Ratio -cons	31.75
Latest Bookvalue(cons.) -Unit Curr.	278.15
Latest P/BV - cons	14.38
Dividend Yield -%	1.83
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding (As on 31 Dec, 2023)
Foreign	12.69
Institutions	10.09
Non Promoter Corp. Hold.	0.23
Promoters	72.41
Public & Others	4.58

Consolidate Financials Results

	Qtr Ending Mar. 2024	Qtr Ending Dec. 2023	Var. (%)	Qtr Ending Mar. 2023	In Cr. Var. (%)
Sales	61237.00	60583.00	1	59162.00	4
OPM (%)	28.03	25.47	256bps	26.66	137bps
OP	17164.00	15430.00	11	15774.00	9
Other income	1157.00	862.00	34	1175.00	-2
PBIDT	18321.00	16292.00	12	16949.00	8
Interest	226.00	230.00	-2	272.00	-17
PBDT	18095.00	16062.00	13	16677.00	9
Depreciation	1246.00	1233.00	1	1286.00	-3
PBT	16849.00	15545.90	8	15391.00	9
Tax	4347.00	3732.00	16	3955.00	10
PAT	12502.00	11813.90	6	11436.00	9
Minority interest	68.00	39.00	74	44.00	55
Net profit	12434.00	11059.98	12	11392.00	9
EPS (Rs)	34.35	32.53	6	31.13	10

TCS Q4 Results: PAT jumps 12% QoQ to Rs 12,434 cr; declares dividend of Rs 28/ share, beats Estimates

On consolidated basis

Quarter ended March 2024 compared with Quarter ended December 2023.

Net sales (including other operating income) of Tata Consultancy Services has increased 1.08% to Rs 61237 crore. Operating profit margin has jumped from 25.47% to 28.03%, leading to 11% rise in operating profit to Rs 17,164.00 crore. Employee cost increased from 57.31% to 57.38%. Other expenses fell from 15.64% to 14.59%. Software technology development services cost rose from 1.94% to 2.55%. Other income rose 34.22% to Rs 1157 crore. PBIDT rose 12% to Rs 18321 crore. Provision for interest fell 1.74% to Rs 226 crore. Loan funds remained nil. PBDT rose 13% to Rs 18095 crore. Provision for depreciation rose 1.05% to Rs 1246 crore.

Profit before tax grew 8% to Rs 16,849.00 crore. Share of profit/loss were nil in both the periods. Provision for tax was expense of Rs 4347 crore, compared to Rs 3732 crore. Effective tax rate was 25.80% compared to 25.17%. Minority interest increased 74.36% to Rs 68.00 crore. Net profit attributable to owners of the company increased 12.44% to Rs 12,434.00 crore.

Quarter ended March 2024 compared with Quarter ended March 2023.

Net sales (including other operating income) of Tata Consultancy Services has increased 3.51% to Rs 61237 crore. Sales of Banking Finance Insurance segment has gone up 0.58% to Rs 22,759.00 crore (accounting for 37.17% of total sales). Sales of Manufacturing segment has

Tata Consultancy Services : Consolidated Segment Results

In Cr.

	Qtr Ending Mar. 24	Qtr Ending Mar. 23	Var. (%)	% of (Total)
Sales				
Banking Finance Insurance	22,759.00	22,628.00	1	37
Manufacturing	6,137.00	5,550.00	11	10
Communication, Media and Technology	10,291.00	9,696.00	6	17
Others	5,401.00	4,930.00	10	9
Retail and Consumer Packing Goods	9,891.00	9,773.00	1	16
Life Sciences and Healthcare	6,758.00	6,585.00	3	11
Total Reported Sales	61,237.00	59,162.00	4	100
PBIT				
Banking Finance Insurance	6,305.00	5,869.00	7	37
Manufacturing	2,100.00	1,522.00	38	12
Communication, Media and Technology	2,669.00	2,889.00	-8	16
Others	1,304.00	1,088.00	20	8
Retail and Consumer Packing Goods	2,719.00	2,575.00	6	16
Life Sciences and Healthcare	2,067.00	1,831.00	13	12
Total PBIT	17,164.00	15,774.00	9	100
Less : Interest	0.00	0.00	-	
Add: Other un-allocable	-315.00	-383.00	18	
PBIT Margin(%)				
Banking Finance Insurance	27.70	25.94	177	
Manufacturing	34.22	27.42	680	
Communication, Media and Technology	25.94	29.80	-386	
Others	24.14	22.07	207	
Retail and Consumer Packing Goods	27.49	26.35	114	
Life Sciences and Healthcare	30.59	27.81	278	
PBT	16849.00	15391.00	9	

** Margins numbers are in bps

gone up 10.58% to Rs 6,137.00 crore (accounting for 10.02% of total sales). Sales of Communication, Media and Technology segment has gone up 6.14% to Rs 10,291.00 crore (accounting for 16.81% of total sales). Sales of Others segment has gone up 9.55% to Rs 5,401.00 crore (accounting for 8.82% of total sales). Sales of Retail and Consumer Packing Goods segment has gone up 1.21% to Rs 9,891.00 crore (accounting for 16.15% of total sales). Sales of Life Sciences and Healthcare segment has gone up 2.63% to Rs 6,758.00 crore (accounting for 11.04% of total sales).

Profit before interest, tax and other unallocable items (PBIT) has jumped 8.81% to Rs 17,164.00 crore. PBIT of Banking Finance Insurance segment rose 7.43% to Rs 6,305.00 crore (accounting for 36.73% of total PBIT). PBIT of Manufacturing segment rose 37.98% to Rs 2,100.00 crore (accounting for 12.23% of total PBIT). PBIT of Communication, Media and Technology segment fell 7.62% to Rs 2,669.00 crore (accounting for 15.55% of total PBIT). PBIT of Others segment rose 19.85% to Rs 1,304.00 crore (accounting for 7.60% of total PBIT). PBIT of Retail and Consumer Packing Goods segment rose 5.59% to Rs 2,719.00 crore (accounting for 15.84% of total PBIT). PBIT of Life Sciences and Healthcare segment rose 12.89% to Rs 2,067.00 crore (accounting for 12.04% of total PBIT).

PBIT margin of Banking Finance Insurance segment rose from 25.94% to 27.70%. PBIT margin of Manufacturing segment rose from 27.42% to 34.22%. PBIT margin of Communication,

Media and Technology segment fell from 29.80% to 25.94%. PBIT margin of Others segment rose from 22.07% to 24.14%. PBIT margin of Retail and Consumer Packing Goods segment rose from 26.35% to 27.49%. PBIT margin of Life Sciences and Healthcare segment rose from 27.81% to 30.59%. Overall PBIT margin rose from 26.66% to 28.03%.

Operating profit margin has jumped from 26.66% to 28.03%, leading to 8.81% rise in operating profit to Rs 17,164.00 crore. Employee cost increased from 56.94% to 57.38%. Other expenses fell from 16.40% to 14.59%. Software technology development services cost rose from 1.05% to 2.55%.

Other income fell 1.53% to Rs 1157 crore. PBIDT rose 8.09% to Rs 18321 crore. Provision for interest fell 16.91% to Rs 226 crore. Loan funds rose to Rs 8,021.00 crore as of 31 March 2024 from Rs 7,688.00 crore as of 31 March 2023. Inventories stood at Rs 28.00 crore as of 31 March 2024 to Rs 28.00 crore as of 31 March 2023. Sundry debtors were higher at Rs 44,434.00 crore as of 31 March 2024 compared to Rs 41,049.00 crore as of 31 March 2023. Cash and bank balance rose to Rs 13,286.00 crore as of 31 March 2024 from Rs 11,032.00 crore as of 31 March 2023. Investments declined from Rs 37,163.00 crore as of 31 March 2023 to Rs 31,762.00 crore as of 31 March 2024.

PBDT rose 8.50% to Rs 18095 crore. Provision for depreciation fell 3.11% to Rs 1246 crore. Fixed assets declined from Rs 19,024.00 crore as of 31 March 2023 to Rs 18,826.00 crore as of 31 March 2024. Intangible assets declined from Rs 2,725.00 crore to Rs 2,342.00 crore.

Profit before tax grew 9.47% to Rs 16,849.00 crore. Share of profit/loss were nil in both the periods. Provision for tax was expense of Rs 4347 crore, compared to Rs 3955 crore. Effective tax rate was 25.80% compared to 25.70%. Minority interest increased 54.55% to Rs 68.00 crore. Net profit attributable to owners of the company increased 9.15% to Rs 12,434.00 crore.

Full year results analysis.

Net sales (including other operating income) of Tata Consultancy Services has increased 6.85% to Rs 240893 crore. Sales of Banking Finance Insurance segment has gone up 5.57% to Rs 90,928.00 crore (accounting for 37.75% of total sales). Sales of Manufacturing segment has gone up 10.62% to Rs 23,491.00 crore (accounting for 9.75% of total sales). Sales of Communication, Media and Technology segment has gone up 4.62% to Rs 39,391.00 crore (accounting for 16.35% of total sales). Sales of Others segment has gone up 14.46% to Rs 20,981.00 crore (accounting for 8.71% of total sales). Sales of Retail and Consumer Packing Goods segment has gone up 4.94% to Rs 39,357.00 crore (accounting for 16.34% of total sales). Sales of Life Sciences and Healthcare segment has gone up 8.70% to Rs 26,745.00 crore (accounting for 11.10% of total sales).

Profit before interest, tax and other unallocable items (PBIT) has jumped 8.50% to Rs 64,296.00 crore. PBIT of Banking Finance Insurance segment rose 5.50% to Rs 23,574.00 crore (accounting for 36.66% of total PBIT). PBIT of Manufacturing segment rose 24.41% to Rs 7,268.00 crore (accounting for 11.30% of total PBIT). PBIT of Communication, Media and Technology segment rose 2.35% to Rs 10,918.00 crore (accounting for 16.98% of total PBIT). PBIT of Others segment rose 20.59% to Rs 4,673.00 crore (accounting for 7.27% of total PBIT). PBIT of Retail and Consumer Packing Goods segment rose 6.39% to Rs 10,252.00 crore (accounting for 15.95% of total PBIT). PBIT of Life Sciences and Healthcare segment rose 10.40% to Rs 7,611.00 crore (accounting for 11.84% of total PBIT).

PBIT margin of Banking Finance Insurance segment fell from 25.94% to 25.93%. PBIT margin of Manufacturing segment rose from 27.51% to 30.94%. PBIT margin of Communication, Media and Technology segment fell from 28.33% to 27.72%. PBIT margin of Others segment rose from 21.14% to 22.27%. PBIT margin of Retail and Consumer Packing Goods segment rose from 25.69% to 26.05%. PBIT margin of Life Sciences and Healthcare segment rose from

28.02% to 28.46%. Overall PBIT margin rose from 26.28% to 26.69%.

Operating profit margin has jumped from 26.28% to 26.69%, leading to 8.50% rise in operating profit to Rs 64,296.00 crore. Employee cost increased from 56.56% to 58.17%. Other expenses fell from 17.15% to 15.14%. Software technology development services cost rose from 0.83% to 1.54%.

Other income rose 28.21% to Rs 4422 crore. PBIDT rose 9.58% to Rs 68718 crore. Provision for interest fell 0.13% to Rs 778 crore. Loan funds rose to Rs 8,021.00 crore as of 31 March 2024 from Rs 7,688.00 crore as of 31 March 2023. Inventories stood at Rs 28.00 crore as of 31 March 2024 to Rs 28.00 crore as of 31 March 2023. Sundry debtors were higher at Rs 44,434.00 crore as of 31 March 2024 compared to Rs 41,049.00 crore as of 31 March 2023. Cash and bank balance rose to Rs 13,286.00 crore as of 31 March 2024 from Rs 11,032.00 crore as of 31 March 2023. Investments declined from Rs 37,163.00 crore as of 31 March 2023 to Rs 31,762.00 crore as of 31 March 2024.

PBDT rose 9.71% to Rs 67940 crore. Provision for depreciation fell 0.74% to Rs 4985 crore. Fixed assets declined from Rs 19,024.00 crore as of 31 March 2023 to Rs 18,826.00 crore as of 31 March 2024. Intangible assets declined from Rs 2,725.00 crore to Rs 2,342.00 crore.

Profit before tax grew 10.63% to Rs 62,955.00 crore. Share of profit/loss were nil in both the periods. Provision for tax was expense of Rs 15898 crore, compared to Rs 14604 crore. Effective tax rate was 25.64% compared to 25.66%. Minority interest increased 22.44% to Rs 191.00 crore. Net profit attributable to owners of the company increased 8.92% to Rs 45,908.00 crore.

Others:

Dividend: The board has declared dividend of Rs 28 per equity share.

TCV (Total Contract Value) : The Company recorded order book of TCV (total Contract Value) of US \$ 13.2 in Q4FY2024. TCV for FY2024 stood at 42.7 billion.

TCS' workforce stood at 601,546 as on March 31st. The employee base is very diverse, with 35.6% women and with 152 nationalities.

Year till date, it has clocked 51 million learning hours, and acquired 5 million competencies. IT services' attrition was at 12.5% for the last twelve months.

Management Commentary:

K Krithivasan, Chief Executive Officer and Managing Director, said: "We are very pleased to close Q4 and FY24 on a strong note with the highest ever order book and a 26% operating margin, validating the robustness of our business model and execution excellence. In an environment of global macro uncertainty, we are staying close to our customers and helping them execute on their core priorities with TCS' portfolio of offerings, innovation capabilities and thought leadership."

N Ganapathy Subramaniam, Chief Operating Officer and Executive Director, said: "Our Q4 performance is robust, with broad based deal wins across industries and geographies. Our products and platforms business sparked with the mega deal win at Aviva and emerging markets had another stellar growth quarter demonstrating the power of TCS' diversified portfolio."

Mr Samir Seksaria, Chief Financial Officer, said: "In FY 2024, our disciplined approach to operations have helped us expand our industry-leading margins. In a challenging environment, we persisted with our long-term investments in workforce reskilling, research and innovation. We will continue to drive efficiencies and competitiveness to capture opportunities for growth with profitability."

Mr Milind Lakkad, Chief HR Officer, said: "We are pleased to announce the annual increments for our workforce, as we have done consistently every year, with top performers receiving double digit hikes. The reduced attrition at 12.5%, enthusiastic response to our campus hiring, increased customer visits and employees returning to the office have resulted in great vibrancy in our delivery centres and elevated morale of our associates."

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