



TCS/BM/20/SE/2017-18

April 18, 2017

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Mumbai
Kind Attn: Manager, Listing Department

BSE Limited
P. J. Towers, Dalal Street,
Mumbai
Kind Attn: General Manager
Department of Corporate Services
Scrip Code No. 532540 (BSE)

Sub: Dividend Distribution Policy of the Company

Dear Sirs,

Please find enclosed a copy of the Dividend Distribution Policy of the Company.

The above information is also available on the website of the Company: www.tcs.com

This is for your information and record.

Thanking you,

Yours faithfully,
For **Tata Consultancy Services Limited**

Suprakash Mukhopadhyay
Senior Vice President and Company Secretary

cc:

National Securities Depository Limited
Central Depository Services (India) Limited
TSR Darashaw Limited

TATA CONSULTANCY SERVICES

Tata Consultancy Services Limited

TCS House Raveline Street 21 D S Marg Fort Mumbai 400 001 India

Tel 91 22 6778 9999 Fax 91 22 6778 9000 e-mail corporate.office@tcs.com website www.tcs.com

Registered Office 9th Floor Nirmal Building Nariman Point Mumbai 400 021

Corporate Identification No. (CIN): L22210MH1995PLC084781

DIVIDEND DISTRIBUTION POLICY

Ver. 1.0

1. Introduction

From the time of its public listing in 2004, Tata Consultancy Services Ltd has been meeting all its capital requirements through internal accruals and consistently returning surplus cash to shareholders through regular annual dividends and special dividends.

A regular annual dividend consists of three interim dividends after each of the first three quarters of the fiscal year, topped up with a final dividend after the fourth quarter. In addition, every second or third year, the accumulated surplus cash has been returned to shareholders through a special dividend. Including these special dividends, TCS' overall Dividend Payout Ratio has been an industry benchmark.

While adhering to this core philosophy of returning surplus cash to shareholders, and to provide shareholders with greater visibility and predictability in the payouts; TCS is hereby publishing a formal Dividend Distribution Policy in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dividend Distribution to Members

In distributing the profits of the Company among shareholders, the Board of Directors will seek to balance members' need for a reasonable and predictable return on their investment with the Company's funding requirements for longer-term sustainable growth.

The financial factors that may be considered by the Board of Directors in arriving at the decision include, without limitation, the following:

Internal Factors	External Factors
• Net Profit generated • Cash balance and cash flow • Current and future Capital requirements ○ Business Expansion / Modernization ○ Mergers and Acquisitions ○ Additional investment in JVs/ Subsidiaries / Associates • Any other factor	• Economic conditions • Financing Costs • Government regulations • Taxation

After meeting internal cash requirements and maintaining a reasonable cash balance towards any strategic investments, the Company will endeavor to return the rest of the free cash generated to shareholders through regular dividends.

2. Utilization of Retained earnings

Growth - The Company will utilize its retained earnings for the growth of the Company. The Company can consider venturing into new markets/ geographies/verticals.

Research and Development - The Company will utilize its retained earnings for research and development of new products in order to increase market share.

Capital Expenditure – The Company will utilize its retained earnings for capital expenditure by way of Physical Infrastructure, Technology Infrastructure, etc.

Mergers and Acquisitions – The Company will utilize its retained earnings for mergers and acquisitions, as it may deem necessary from time to time.

Any other Business Requirement

3. Circumstances under which a Dividend may not be paid out

Some conceivable circumstances under which shareholders may or may not expect a dividend are: adverse market conditions and business uncertainty, inadequacy of profits earned during the fiscal year, inadequacy of cash balance, large forthcoming capital requirements which are best funded through internal accruals, changing government regulations, etc.

Even under such circumstances, the Board may, at its discretion, and subject to applicable rules, choose to recommend a dividend out of the Company's free reserves.

4. Multiple classes of shares

Currently, the Company has only one class of equity shares. In the future, if the Company issues multiple classes of shares, the parameters of the dividend distribution policy will be appropriately addressed.

5. Policy Review

The Board of Directors may review this policy periodically, by taking into account the national and global economic conditions, Company's growth and investment plans and financial position, etc. and in accordance with any regulatory amendments.

6. Website

The Policy shall be disclosed on the website of the Company.