

TCS strengthens global market position in FY14; growth momentum continues

Annual revenues at ₹81,809 crore; up 29.9%

Incremental Revenues of ₹18,820 crore in FY14

Annual Net Profit at ₹19,117 crore; up 37.5% Y-o-Y

- **Q4 Revenues at ₹21,551 crore up 31.2% Y-on-Y & 1.2 % Q-on-Q**
- **Q4 Net Profit at ₹5,297 crore up 51.5% Y-on-Y & 2.3 % Q-on-Q**

Annual Highlights for 2013-14	Highlights for 4th Quarter 2013-14
<ul style="list-style-type: none"> • Operating Profits at ₹ 23,808 cr • Operating Margin at 29.1% • Volume growth at 17.39% • \$100m + clients rise to 24 (17 in FY13) • Gross addition: 61,200 employees • Net addition: 24,268 employees • Total employee strength: 300,464 • FY14 EPS at ₹ 97.60 • Total Dividend at ₹ 32 per share including proposed ₹ 20 as Final Dividend 	<ul style="list-style-type: none"> • Operating Profits at ₹ 6,281 cr • Operating Margin at 29.1% • Volume growth at 2.59% Q-on-Q • Gross addition: 18,564 professionals Net addition: 9,751 employees • Attrition rate: 11.3 % LTM • Utilisation Rate (excl trainees): 83.8 % • Utilisation Rate (incl trainees): 77.9 % • EPS at ₹ 27.04 in Q4 from ₹ 26.44 in Q3

MUMBAI, April 16, 2014: Tata Consultancy Services (TCS), (BSE: 532540, NSE: TCS), a leading IT services, consulting and business solutions firm reported its consolidated financial results according to IFRS for the quarter and financial year ended March 31, 2014.

Commenting on the 2013-14 performance, **N. Chandrasekaran, CEO and MD said:** “We have delivered strong growth and strengthened our competitive positioning in the market. We have maintained our momentum, improved our quality of growth, deepened our relationship with customers and expanded our presence in newer markets like Europe during the past 12 months. Our strategic investments including those in Digital Technologies are providing a compelling value proposition as well as helping us anticipate and shape new market trends successfully.”

Looking forward to financial year 2014-15, **Mr Chandrasekaran added:** “We are upbeat that the next 12 months will bring many more opportunities for growth across multiple industries and markets. As an organization, we remain focused on disciplined execution of our strategy as well as on energizing 300,000 TCSers to ensure they make a difference to their customers, their colleagues and the community.”

Rajesh Gopinathan, Chief Financial Officer, said: “Our focus has been to stay disciplined in operations while supporting business growth across multiple markets, industries and technologies. We enhanced our profitability to industry leading levels despite macro and currency volatility through the year. We are continuously investing to stay ahead of the curve.”

There was holistic growth across markets and industries during the financial year. Europe led growth in major markets, while UK and North America continue to grow in line with the company average. All major industry verticals grew in double digits led by Retail, Manufacturing, Life Sciences & Healthcare and BFSI during FY14.

TCS’ full services capabilities continue to be leveraged by customers with new service lines growing at a fast pace led by Infrastructure Services, Assurance Services, Global Consulting and Enterprise Solutions.

Among the new initiatives taken in the last 12 months by TCS were:

- Launch of a unique all-female Business Process Service center in Kingdom of Saudi Arabia
- Inauguration of new 10,000 seat campus in Gandhinagar, Gujarat
- Launch of a new 10,000-seat Corporate Learning Center in Trivandrum
- Title sponsorship of the TCS New York City Marathon for 8 years starting November 2014

Key Digital Wins in Q4

- Engaged by large Australian retailer for multi-channel enablement of merchandising systems using master data management
- Selected by a major European Bank for a consulting engagement to define strategic roadmap leveraging Big Data for its credit risk transformation program
- Chosen by a leading merchandiser to rollout a field sales mobile application in Asia Pacific
- Chosen by European supplier of photolithography systems to strategize and execute all its mobility projects
- Engaged by North American insurance firm to enhance property casualty management using Big Data
- Selected by a leading US telecom service provider to create a real time ecosystem for data-driven decision making
- Implementing a customer decision platform to enhance guided behavior for a North America based leading Telecom provider
- Engaged by a global aerospace product manufacturer to develop creative user experience designs
- Engaged by a global Hi-Tech Company to transform their sales and operations Business Intelligence systems using Big Data technologies
- Engaged by a British pharmaceutical and healthcare company to transform its supply chain analytics using Big Data
- Define and execute strategy for Master Data Management programs for North American aircraft engine manufacturer
- Consult on transforming order-to-cash business processes using Big Data for European telecom manufacturer
- Create integrated marketing and technology platform for large global media and information services firm
- Redefining customer interfaces for leading North American Insurance provider for all online platforms
- Develop field force solution for a direct broadcast satellite television provider in India
- Engaged by leading UK Bank for developing a suite of consumer facing mobile applications
- Engaged by European telecom manufacturer to perform consumer analytics using the Big Data platform
- Develop patient survey mobile application for one of the largest US based pharmaceutical companies
- Engaged by a middle-east petrochemical company for mobile application development and testing

Key Wins in Q4

- Engaged by leading European Utility to operate and transform customer service processes with an aim to making them a leader in customer satisfaction within the industry.
- Selected by a North American Fortune-500 multi-specialty pharmaceutical company for a multi-year, multi-million dollar deal in the area of core infrastructure operations
- Awarded multi-year engagement by North American global leader in process manufacturing to transform and manage its global infrastructure
- Selected by large European insurer to enhance customer experience by modernizing its IT footprint
- Selected by Middle East based global shipping company to establish a Shared Service Center covering Shipping Documentation and Finance & Accounting processes
- Awarded a contract by a leading retail bank in Middle East to transform & run mission critical systems & operations, leveraging TCS BaNCS and full spectrum of managed services.
- Selected by leading Publisher to consolidate and transform technology infrastructure to accelerate digital transformation
- Selected by a leading European apparel and general merchandize retailer to manage their end-to-end application and infrastructure operations

Human Resources:

“We trained and integrated 61,200 professionals who joined TCS during 2013-14. With business demand continuing to be robust, we have made almost 25,000 fresh offers on engineering campuses for trainees who will join us from the second quarter of the new fiscal year.” **said Ajoy Mukherjee, Executive Vice President, Head, Global Human Resources.** “We continue to build a next-gen organization that is social, engaged and collaborative and these efforts are having a positive impact with retention rates rising in the last financial year as employees see TCS as an organization that offers them a progressive career path.

The total employee strength of the company stood at 300,464 professionals. In Q4, the gross employee additions were 18,564 and net employee additions were 9,751 professionals. Of these 7,572 Trainees and 7,401 Laterals recruited in India, while 3,591 employees were hired in international locations.

High utilization rates have been maintained in the fourth quarter with utilization excluding trainees at 83.8 per cent, while utilization including trainees was at 77.9 per cent. The overall attrition rate was at 11.3 per cent with IT attrition at a low of 10.40 per cent and BPS attrition below 15 per cent threshold to 14.90 per cent on a LTM basis.

The average age of a TCS employee is 29 years while 32.7 per cent of the workforce comprised of women with 118 nationalities represented in the workforce.

Innovation and Intellectual Property:

As of March 31, 2014, the company has applied for **1746** patents including **211** applied during the quarter. Till date, the company has been granted **114** patents.

Awards and Recognition

Business Leadership:

- Recognised as world's Fastest Growing Global IT Services brand by Brand Finance, the world's leading brand valuation firm
- Recognized as one of the 'Achievers 50 Most Engaged Workplaces' in United States for second year in a row
- TCS won RASBIC awards for sixth year in a row at the World HRD Congress:
 - o Best Overall Recruiting & Staffing Organization of the Year

For immediate use **PRESS RELEASE****IFRS INR**

- Recruiting & Staffing Industry Leader of the Year
- Best Use of Technology for Recruiting
- Innovation in Recruitment
- Best Social Networking Recruitment Effort
- Best Employee Referral Program
- TCS BPS grabbed four awards at the 'BPO Excellence Awards 2014':
 - BPO Organisation of the Year
 - Operational Excellence & Quality
 - Best Employer Brand of the Year
 - 'Social Change' Agent
- Won Indian MAKE Award for 2013 for a second consecutive year
- TCS UK wins Gold Award for 'Innovation in Learning'
- TCS China won two awards at the 2014- 22nd Global HR Excellence and Benny Awards
 - Compensation Benefits Insurance Program
 - Talent Management
- 4 awards at World HRD Congress 2014
 - Talent Management
 - Innovation in Recruitment
 - Contribution to cause of education
 - Fun at Work Initiatives
- Winner of ServiceNow's most significant Education and Enablement Partner Award 2013
- TCS China recognised in 'Deloitte Technology Fast 500 Asia Pacific 2013' ranking
- Ranked as the No. 1 Employer in Europe by Top Employers Institute
 - Certified as leading employer in eight European countries - Belgium, Denmark, France, Germany, Netherlands, Sweden, Switzerland and the United Kingdom
- Recognised for distinction in Assurance and Software Test Automation at Fifth Annual ATI Automation Honors
- LegalEra Awards 2014
 - Best Global In-House Legal Team of the Year
 - Best General Counsel of the Year
- FinanceAsia
 - Best Managed Company
 - Best Investor Relations
 - Most Committed to a Strong Dividend Policy

Sustainability:

- TCS wins Global CSR Excellence and Leadership Awards:
- TCS' Research Scholar Programme and Adult Literacy Programme were each awarded prizes in the category of Education & Training - Social Enterprise

For immediate use **PRESS RELEASE**
IFRS INR

About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services is an [IT services](#), [consulting](#) and business solutions organization that delivers real results to global business, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of [IT](#), [BPS](#), [infrastructure](#), [engineering](#) and [assurance services](#). This is delivered through its unique [Global Network Delivery Model](#)[™], recognised as the benchmark of excellence in software development. A part of the Tata group, India's largest industrial conglomerate, TCS has over 300,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US \$13.4 billion for year ended March 31, 2014 and is listed on the National Stock Exchange and Bombay Stock Exchange in India. For more information, visit us at www.tcs.com.

Follow TCS on [Twitter](#).

Subscribe to an [RSS Feed](#) of TCS Press Releases.

For more information please contact:

Media: +9122 6778 9999	Investor Relations:
Pradipta.bagchi@tcs.com / ashish.babu@tcs.com shamala.p@tcs.com / h.ramachandra@tcs.com	Kedar.shirali@tcs.com +9122 6778 9999

#

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the years ended March 31, 2013 and 2014
(In millions of ₹, except per share data)

	Year ended March 31, 2013	Year ended March 31, 2014
Revenue	629,895	818,094
Cost of revenue	339,188	430,645
Gross margin	290,707	387,449
SG & A expenses	120,627	149,369
Operating income	170,080	238,080
Other income (expense), net	10,819	15,891
Income before income taxes	180,899	253,971
Income taxes	40,346	60,713
Income after income taxes	140,553	193,258
Minority interest	1,493	2,090
Net income	139,060	191,168
Earnings per share in ₹	71.05	97.60

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the three-month periods ended March 31, 2013, December 31, 2013 and March 31, 2014
(In millions of ₹, except per share data)

	Three-month period ended March 31, 2013	Three-month period ended December 31, 2013	Three-month period ended March 31, 2014
Revenue	164,301	212,940	215,511
Cost of revenue	87,592	110,257	114,640
Gross margin	76,709	102,683	100,871
SG & A expenses	33,125	39,336	38,061
Operating income	43,584	63,347	62,810
Other income (expense), net	3,186	5,386	6,990
Income before income taxes	46,770	68,733	69,800
Income taxes	11,420	16,524	16,313
Income after income taxes	35,350	52,209	53,487
Minority interest	380	412	520
Net income	34,970	51,797	52,967
Earnings per share in ₹	17.87	26.44	27.04

Unaudited Condensed Consolidated Statements of Financial Position
As of March 31, 2013 and and March 31, 2014
(In millions of ₹)

	As of March 31, 2013	As of March 31, 2014
Assets		
Property and equipment	81,944	103,644
Intangible assets and Goodwill	35,063	41,569
Accounts Receivable	140,956	182,304
Unbilled Revenues	31,410	40,056
Investments	20,402	34,489
Cash and Cash equivalents	18,432	14,688
Other current assets	113,352	181,066
Other non current assets	77,986	91,309
Total Assets	519,545	689,125
Liabilities and Shareholders' Equity		
Shareholders' Funds	409,481	553,352
Redeemable Preference Shares	1,000	0
Long term borrowings	1,310	1,273
Short term borrowings	1,013	1,696
Other current liabilities	85,715	109,055
Other non-current liabilities	14,465	16,844
Minority Interest	6,561	6,905
Total Liabilities	519,545	689,125