



At TCS, infinity is more than just a symbol.

It is a philosophy. A philosophy where every moment is a relentless pursuit towards perfection.

Where solutions never end, but evolve. Constantly changing with time, with situations, with people, and with needs.

Where the flow of knowledge never stops and every moment is an opportunity to learn.

Report

Where there are a million options to every solution. And every option is explored to its deepest point.

Where thoughts flow freely. Mingling with even more thoughts. Until ideas are born.

Where the threshold of human performance is surpassed. Day after day after day.

Where quality benchmarks are set on a daily basis. And then broken. Everyday.

Where there are no boundaries. Where growth transcends time and space.

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Annual General Meeting on Tuesday, 19th July, 2005, at Birla Matushri Sabhagar, at 3.30 p.m.  
As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.  
Shareholders are requested to kindly bring their copies to the meeting.

## **Board of Directors**

R N Tata (*Chairman*)

S Ramadorai (*CEO and Managing Director*)

Aman Mehta

Naresh Chandra

## **Company Secretary**

S H Rajadhyaksha

## **Statutory Auditors**

S B Billimoria & Co.

### **US GAAP Auditors**

Deloitte Haskins & Sells



## **Registered Office**

Bombay House,

24, Homi Mody Street, Fort,

Mumbai 400 001.

Tel : 022 5665 8282

Fax : 022 5665 8080

Website : [www.tcs.com](http://www.tcs.com)

## **Corporate office**

11th floor, Air India Building,

Nariman Point,

Mumbai 400 021.

Tel : 022 5550 9999

Fax : 022 5550 9661

Email: [investor.relations@tcs.com](mailto:investor.relations@tcs.com)

## **Registrars & Transfer Agents**

Tata Share Registry Limited

Army & Navy Building,

148, M.G. Road, Fort, Mumbai 400 001.

Tel : 022 5656 8484

Fax : 022 5656 8494

Email : [csg-unit@tatashare.com](mailto:csg-unit@tatashare.com)

Website : [www.tatashare.com](http://www.tatashare.com)

## Management Team

(as on March 31, 2005)

Function	Name
<b>Corporate</b>	
CEO & MD	S Ramadorai
CFO	S Mahalingam
Corporate Affairs	Phiroz Vandrevala
Global Operations	N Chandrasekaran
Global Human Resources	S Padmanabhan
Strategic Alliances & Enterprise Management Program	K Ananthakrishnan
<b>Geography Head</b>	
North America	Arup Gupta
United Kingdom	A S Lakshminaryanan
Europe	N Chandrasekaran
Asia Pacific	Girija Pande
	Masahiko Kaji
	Rick Mamur
Iberoamerica	Gabriel Rozman
India	K Jayaramakrishnan
<b>Governance Functions</b>	
Marketing	J V Pendharkar
	Keith Sharp
	John Lenzen
	Jim Thomas
R & D	Mathai Joseph
	K V Nori
	M Vidyasagar
	Gautam Shroff
	Sunil Sherlekar
HR, Learning & Development	Ritu Anand
	Ganesan
	R Narayanan
Information Systems	Bandana Sinha
Ethics	J V Pendharkar
Administration	Capt. G George
Legal	A Kumaresan
Finance	B Sanyal
	V Ramakrishnan
<b>Industry Practices</b>	
Banking & Financial Services	N G Subramaniam
	J R Bhandari
	Ravi Shah

Function	Name
Insurance	K Padmanabhan
Telecom	Usha Lakshmanan
	Ravi Viswanathan
	N Sivasamban
Manufacturing	Ravi Gopinath
Government	Tanmoy Chakrabarty
Healthcare & Life Sciences	J Rajagopal
Energy & Utilities	Ajoyendra Mukherjee
Retail	Pratik Pal
Media & Entertainment	Edward Altman
Travel & Hospitality	G Srinivasa Raghavan
Transportation	Jyoti Srivastava

### Service Practices

Engineering and Industrial Services

Ravi Gopinath

Business Process Outsourcing

Milind Kamat

e-Business

Anita Nanadikar

Hasit Kaji

Santosh Mohanty

Raj Agarwal

C S Natarajan

Manoj Agarwal

Infrastructure Services

P R Krishnan

Quality and IT Process Consulting

V Ramaswamy

Security

R K Raghavan

System Integration / Outsourcing

B Gopal

### Products

Banking and Financial Services

N G Subramaniam

Telecom

Ravi Viswanathan

Bio Suite

M Vidyasagar

Tools

Mathai Joseph

### Global Delivery

Ravi Viswanathan

Rajesh Nambiar

N G Subramaniam

Abid Ali

Surya Kant

Ajoyendra Mukherjee

### ***From the CEO's Desk...***

Dear Shareholders,

2004-05 was a year of milestones for Tata Consultancy Services. It made a historic debut on the stock markets in August last year. At various points in time during the past few years, the Company's management had assessed the option of taking TCS public. In hindsight, given the strong post-listing performance of the stock, the timing of the public issue has been proved to be right. TCS also ended the year with another milestone as it became the first Indian IT company to cross the \$ 2 billion annual revenue mark to reinforce its position as a pioneer and leader in this sector.

The country's strengths in Information Technology as well as the industry's adeptness in providing the right solutions at the right time and cost highlights the increasingly important role of Indian companies in providing high-quality services to global corporations at the best possible value through a combination of onsite and off-shore services.

Outsourcing has become a part of the business lexicon globally, and an important driver for the Indian economy. And given the value generated for business, this trend will continue to represent a significant growth opportunity for the country, in fields as diverse as banking and financial services to telecom, life sciences and engineering. A combination of value and costs will continue to be key drivers for big corporations to outsource operations to India. Given its wide expertise and long-track record, the industry is well poised to leverage this opportunity.

This sustained growth also brings new challenges for the Indian IT industry. Global IT firms have realized the depth of India's base of knowledge workers and are keen to leverage the country's cost competitiveness as an integral part of their business strategy while large multi-nationals are using the same talent pool to set up captive units for back-office transactions. To combat this, it will be important for the industry, and TCS, to continuously move up the customer's value chain by leveraging its proficiencies in emerging technologies like Radio Frequency Identification (RFID) and embedded systems, and through new offering like engineering and industrial Services. The integrated play of hardware and software will be very crucial for success in future as technologies evolve, as will the need for companies to have a solutions mind-set with customer centricity as the prime focus.

Sustained value can only be created through continuous R & D. This is a requirement for long term success in an increasingly competitive environment. As TCS matures as a global corporation, our R & D efforts will increasingly be with a global perspective through alliances with the top academic and research institutes in the world in diverse areas like software engineering, life science and microelectronics.

With demand for IT services growing, the industry has to devise ways in which to address supply-side challenges. The primary challenge will be to utilize collaborative models to ramp up the ability of Indian educational institutions to deliver the necessary numbers of highly-trained people to ensure that the industry can continue to grow at the current pace. For the industry, managing salary levels remains a critical issue as the economy grows at a faster rate. Competition from other developing countries with reasonable pools of knowledge workers is also another cause for concern in the medium term.

To combat these challenges, the Indian software industry has to be an integral part of the global economy by using different global locations to deliver services. TCS, which helped pioneer this model of serving customers, has set up such centres in South America, Europe and China. These global delivery centres have not only given the Company a diversified, multi-lingual,

multi-national workforce but also meet a critical requirement of large multi-national customers, who require IT services in non-English speaking markets.

Our global customers, which include 7 of the Fortune Top 10 companies, appreciate the delivery model being used to provide them maximum value at the best cost and TCS' list of customers in all categories from \$ 1 million bracket to the \$ 25-plus million bracket continued to grow in this financial year.

While the rest of the IT industry has started realising the potential of the home market, TCS has long been a committed player in India. This has helped the Company acquire competencies to manage complex projects like depository systems and stock exchanges that can be applied in other markets. This year, TCS also commenced a landmark project for the Central Government to put the entire database of company records online as well as helped many states implement VAT. These successful initiatives helped TCS and its group company, CMC, cross the Rs. 1,000-crore mark in revenues from the Indian market in the last financial year.

Our acquisitions and subsidiaries have been fully integrated into TCS operations. TCS is institutionalizing its best practices across subsidiaries making customer centricity a guiding principle. Intra-organisational synergies are being explored to enable joint go to market strategies and a common face to the customer to the advantage of all concerned.

The way forward for TCS is to become a complete solutions company and provide higher value solutions to its customers. To ensure growth, your Company is strengthening its domain-specific offerings and end-to-end solutions that will lead to higher value contracts. It must simultaneously step-up efforts to increase its visibility across the globe through intense marketing and branding campaigns. There are unexplored opportunities in Eastern Europe, Russia and China that the Company must tap, be it in the form of potential markets or global delivery centres. Growth avenues through inorganic means via mergers and acquisitions also have to be explored to complement our capabilities and plug gaps in our portfolio of offerings. The domestic market is also ripe for growth with e-governance initiatives taking root across multiple states and consolidation across sectors like banking offering considerable opportunities for growth.

In conclusion, therefore, TCS is well positioned to face the challenges of the future. The immense support, innovativeness and dedication of over 40,000 TCSers continue to be your Company's greatest asset for the future and will enable it to carry on its tradition of being a pioneer in the development of the country and the industry.

**S. Ramadorai**

*Chief Executive Officer & Managing Director*

*April 19, 2005*

## **Notice**

Notice is hereby given that the tenth Annual General Meeting of Tata Consultancy Services Limited will be held on Tuesday, July 19, 2005 at 3.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2005 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividends and to declare a Final Dividend on Equity Shares.
3. To appoint Auditors and fix their remuneration.
4. Appointment of Mr. S. Ramadorai as a Director of the Company.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that Mr. S. Ramadorai who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 5, 2004 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company and who shall not be subject to retirement until such time that he is the Managing Director of the Company."

5. Appointment of Mr. R.N. Tata as a Director of the Company.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that Mr. R.N. Tata who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 5, 2004 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

6. Appointment of Mr. Aman Mehta as a Director of the Company.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that Mr. Aman Mehta who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 5, 2004 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

7. Appointment of Mr. Naresh Chandra as a Director of the Company.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that Mr. Naresh Chandra who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 19, 2004 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

8. Appointment and Remuneration of Chief Executive Officer & Managing Director.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment and terms of remuneration of Mr. S. Ramadorai as the Chief Executive



Officer and Managing Director of the Company for a period of five years with effect from August 9, 2004 upon the terms and conditions set out in the Agreement entered into with him, which Agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or Agreement in such manner as may be agreed to between the Board of Directors and Mr. S. Ramadorai."

9. Amendment to Articles of Association of the Company.

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution :

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be amended by inserting the following sentence at the end of Article 38 :

"The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever."

10. Place of keeping and inspection of the Registers and Annual Returns of the Company.

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution :

"RESOLVED that pursuant to Section 163 of the Companies Act, 1956 (the Act), the Company hereby approves that the Registers and Indexes of Members, the Registers and Indexes of Debenture holders, if any, and copies of all Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them be kept at the office of the Company's Registrar and Transfer Agents viz. Tata Share Registry Limited, Army & Navy Building, 148, Mahatma Gandhi Road, Fort, Mumbai 400 001."

11. Payment of Commission to the non-whole-time Directors of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"RESOLVED that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) a sum not exceeding one per cent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and the Whole-time Directors, if any) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing 1<sup>st</sup> April, 2004."

12. Appointment of Branch Auditors.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to appoint as Branch Auditors of any branch office of the Company, whether existing or which may be opened / acquired hereafter, in India or abroad, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor within the provisions of the said Section 228 and to fix their remuneration."

**Notes :**

1. The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 4 to 12 above, are annexed hereto. The relevant details of persons seeking appointment as Directors under Item Nos. 4 to 7 above, as required by clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.
2. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.** Proxies, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.

3. The Register of Members and Transfer Books of the Company will be closed from July 8, 2005 to July 19, 2005, both days inclusive. If the final dividend as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on or after July 25, 2005 to those members whose names are on the Company's Register of Members on July 19, 2005. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on July 7, 2005 as per details furnished by the Depositories for this purpose.
4. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.
5. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, Tata Share Registry Limited. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository Participants and not to the Company.
6. During the year, the Company had obtained the approval of the shareholders under a Postal Ballot for three special resolutions with regard to the Company's Employee Share Purchase Scheme - 2004 (ESPS). The resolutions were passed with the requisite majority. Details of the resolutions and the result of the Postal Ballot are provided in the Corporate Governance Report.
7. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.



By Order of the Board of Directors

**S.H. RAJADHYAKSHA**  
Company Secretary

Mumbai, April 19, 2005

**Registered Office :**

Bombay House,  
24, Homi Mody Street,  
Mumbai 400 001.