

ANNUAL REPORT  
**2012-13**



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# Connect



*The Annual General Meeting will be held on Friday, June 28, 2013, at Birla Matushri Sabhagar, Sir V. T. Marg, New Marine Lines, Mumbai 400 020, at 3.30 p.m. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.*

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# Board of Directors



**1** C P Mistry  
Chairman

**2** S Ramadorai  
Vice Chairman

**3** N Chandrasekaran  
Chief Executive Officer and  
Managing Director

**4** A Mehta  
Director

**5** C M Christensen  
Director

**6** I Hussain  
Director

**7** O P Bhatt  
Director

**8** P A Vandrevale  
Director

**9** R Sommer  
Director

**10** V Kelkar  
Director

**11** V Thyagarajan  
Director

# Financial Highlights

29%

## Revenue

Up 29% @  
₹ 62,989 crore

25%

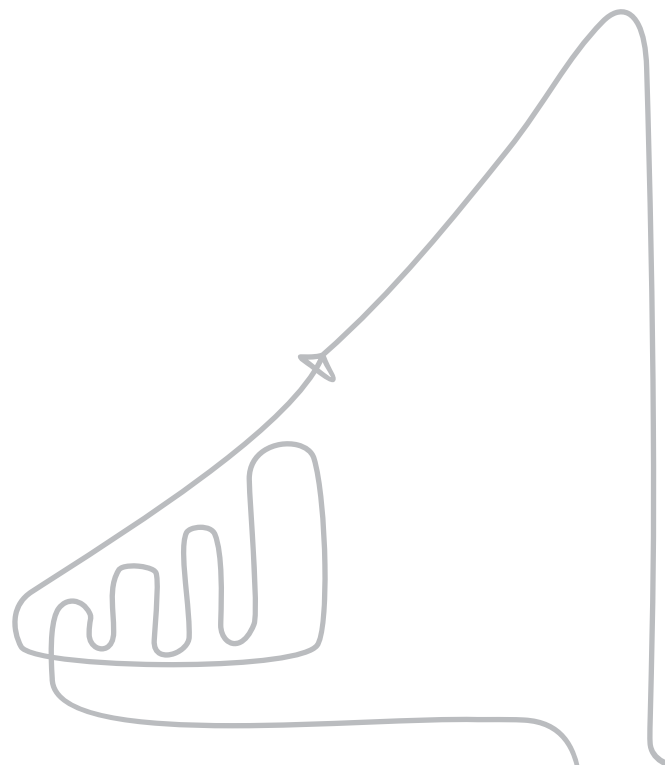
## EBITDA

Up 25% @  
₹ 18,040 crore

34%

## Net Profit

Up 34% @  
₹ 13,917 crore



## Dimensions of Diversity

32%

women

61%

with > 3 years  
experience

118

nationalities

70%

Gen Y professionals

# Our Leadership Team



**N Chandrasekaran**

Chief Executive Officer and Managing Director

**A Mukherjee**

Executive Vice President and Global Head - HR



**R Gopinathan**

Chief Financial Officer



## Letter from CEO

### Dear Shareholders,

Your Company consolidated and strengthened its position in the global IT services industry in financial year 2012-13. Your Company's strategy of being relevant to the customer and providing holistic technology solutions continued to resonate with customers. It delivered tangible results for their business in the areas of optimisation, transformation and growth.

This is reflected in the strong, well rounded performance for FY13. On a consolidated basis, your Company achieved revenue of ₹ 62,989 crore, a growth of 28.8% over the previous year, driven by a strong volume growth of 16.8%. I am also happy to report that your Company sustained its profitability and posted a net profit of ₹ 13,917 crore, a growth of 33.6% over the previous year. The earnings per share of the Company increased to ₹ 70.99 in FY13 from ₹ 53.07 in FY12.

We continued to reward our shareholders with regular dividend. This year our total dividend payout is ₹ 22 per share including ₹ 13 proposed as final dividend.

Your Company's ability to deliver growth and sustain business momentum is attributable to its ability to (i) remain relevant to its customers' changing business needs (ii) extensive global presence across 44 countries and (iii) balanced end-to-end portfolio of services for many industries. Despite uncertain market and macro economic conditions in FY13, your Company was able to drive growth in all markets and industry segments in which it operates, growing at double digits during the year.

Our ability to co-create industry-leading solutions with customers and help them leverage new digital technologies is gaining traction across all customer segments. This momentum is reflected in strong metrics. During FY13, your Company added 80 (net) new customers across the globe to take its active customer base to 1,156. The movement of customers to higher revenue bands continued; while customers in band \$1 million increased by 34 to 556, customers in \$50 million band increased by five to 48 and those with over \$100 million increased by two to 16. Innovation through strong





research and development continues to be a major area of focus for your Company. This is resulting in more Intellectual Property Rights (IPR) being created by your Company. As of March 31, 2013, the Company has applied for 1,280 patents out of which 81 patents have been granted till date.

Your Company's approach to human resource management is being globally recognised for excellence in effective employee engagement and well structured careers. During the year, I am pleased to report that your Company not only added, trained and integrated almost 70,000 professionals but also launched an ambitious programme to build a truly connected organisation. During the year, new social platforms and a suite of mobile applications were adopted by TCSers as productivity increased through new forms of collaboration and social interaction. As TCSers feel more empowered and engaged, this is being reflected in all time high employee retention rates of more than 90% in the core IT business.

Your Company's continued success is due to the dedication, commitment and performance of 2,76,196 energetic professionals, who remain its biggest asset. Programme for employee development through training in new technologies, domains and processes continue to enhance their skills and expertise. Your Company also continues to place strong emphasis on the importance of value and ethics in the organisation. The Tata code of conduct and value system is being re-iterated to all employees to ensure that there is a strong culture of transparency and good governance across the enterprise as it grows.

Your Company continues to focus on other aspects that are extremely important for the development and wellbeing of all its employees. These include initiatives in the areas of wellness, personal safety and security. In the community, your Company continues to work with partners in the non-profit sector as well as schools and colleges in areas like education, affirmative action, healthcare and the environment. From Kashmir, India to Ohio, USA, your Company and its employees are engaged in community initiatives.

The leadership team of your Company remains confident that 2013-14 will bring better opportunities as technology

plays an increasing role in the re-imagination and transformation of many industries globally. As the trusted partner to many top global corporations, we believe our success will lie in being able to identify new growth engines. This will help us to sustain our momentum. However, we must continue to ensure cost discipline at an operational level while supporting diversified business growth.

At a time when technology is fast evolving and playing a bigger role to "grow the business", I believe we have the opportunity to shape the future by investing ahead of the curve in building the right skills and developing intellectual property in the right areas. Your Company is ready to anticipate and leverage the next big opportunity by identifying trends that impact business and society and shape them.

Your Company was recognised by industry, customers and the media for excellence and leadership along many dimensions including overall financial performance, human resources, sustainability and individual leadership and received over a hundred awards during the year.

Looking ahead to 2013-14, there are challenges in some markets with regard to regulatory changes. These include restrictions in the movement of highly skilled professionals between countries. Your Company remains conscious of these changes and will be taking steps to ensure total compliance and also mitigate any risks arising from such changes.

On behalf of the entire Company and its leadership team, I want to thank each shareholder for their support and commitment to the Company. It is the support of shareholders that has helped make TCS among the most valuable companies in India. I look forward to your continued support as your Company embarks on the next phase of its growth journey.

Warm regards

**N Chandrasekaran**

Chief Executive Officer and Managing Director

May 27, 2013



# Connecting with the Community



## Global Themes, Local Impact

Our programmes in the community are a reflection of the way we operate our business. Just as we create world-class solutions to help global corporations transform and grow, our core competencies and capabilities in technology and systems are leveraged to build solutions that empower and impact the community. Software to make adults literate in several languages, IT systems to help vulnerable sections of society or even an SMS-based service for Indian farmers have all sprung forward from the innovative minds of TCSers over the years.

As an organisation, we help our clients minimise uncertainties in their businesses and our intentions in the community are the same. There is a seamless continuum between what TCS does as a business and what TCS does in the community as we attempt to minimise the uncertainties of the future that can render communities and the environment vulnerable. This helps ensure that society as a whole can enable people to take the lead in improving their well-being.

Moreover, this process of empowerment is a two-way process – not only do our solutions and programmes help empower the communities but the TCSers who volunteer their time to work on these programmes and spend time in the community return with a tremendous experience of empowerment and satisfaction. As they take the lead in creating social value, our young professionals are greatly energised by their experience that produces a multiplier effect on organisational morale and spirit. It is exciting to note that TCSers spent a 100,000 hours last year volunteering for projects in the community.

As a global company, it is important that our community programmes retain a central core theme, while being extremely relevant to where the business is located. This close connection between the business and the community is part of the heritage of Tata companies. Business and society can always strengthen each other when they are connected in mutually reinforcing partnerships.



1st batch of trainees at the UDAAN initiative in Kolkata, India



2013 TCS World 10K, Bangalore, India

# Connecting with Associates

Real-time  
Responsive  
Dynamic  
Connected

## Building a High- Performing, Socially Collaborative Organisation

In today's rapidly evolving digital age, the key to sustaining a high performance organisation is to foster a culture of collaboration and co-creation among our dispersed global employee base. At TCS, we have been taking steps to build an organisation that is learning continuously and leverages its collective intelligence effectively. These form the building blocks for an open and transparent culture across employees of different generations as well as across all geographical locations and cultures. And more importantly, social collaboration is emerging as a key enabler to create a flat organisation.

The philosophy at the core of this initiative is to connect employees and enable them to tap into the collective wisdom of the organisation. At the core of this is our enterprise social networking platform that allows our employee base to tap into this collective wisdom on demand from any smart device. These social communities form hubs of knowledge sharing and learning programs for all TCSers who can ask questions, share ideas,

collaborate and share with their peers in real-time. These tools also help equip TCSers to perform at the highest level by providing information and knowledge to them in real-time, anytime, anywhere.

Building a truly digital organisation is also important for sustaining our momentum and business performance. TCS teams are often dispersed and teams working on the same project are based across multiple locations and using collaborative digital technology is imperative for success. We have also developed a suite of mobile apps to enhance employee productivity beyond the office.

With the proportion of Gen Y and Millennial employees increasing every year, there is a need for organisations to create a gamified work environment where communication, work and collaboration are woven into a single, familiar style of a social network. This helps create a culture of serendipitous discovery and promotes continuous learning in the organisation.