

DEFAULT IS
DIGITAL >>>

ANNUAL | 2014
REPORT | 2015





DEFAULT IS DIGITAL >>>

Historians may remember this decade for the rapid changes in the geo-political situation in many countries. But History will also record this time as one in which a large proportion of humanity underwent a tectonic shift powered by a set of new technologies collectively called Digital, which have profoundly changed the way they work, play, and live.

In the context of business, these fast-evolving Digital technologies (cloud, mobile, Big Data & analytics, social, and Artificial Intelligence & Robotics), as well as newer, composite technologies such as the Internet of Things and 3D printing are forcing enterprises to reimagine their business processes, adopt new business models, or fundamentally change the way they operate and engage their customers and other stakeholders in this 'Digital Consumer Economy'. Today, we have an unprecedented volume of data about every aspect of our business and the ability to monitor, sift, and analyse this data, and by doing so, adapt to changing customer preferences on a real-time basis.

The shift to a '**Digital Consumer Economy**' has already begun to rearrange the pecking order in the media, retail, high-tech, telecommunications and other industries. The scale and pace of change is so dramatic that not only is it impacting industry structures but also rapidly blurring boundaries across industries. Over the last decade, we have seen computer firms transform into telecommunications device and music distribution firms; movie rental firms morph into TV production companies; and online retailers offer technology services.

The theme of TCS' 2014-15 Annual Report reflects these trends and attempts to give colour to the way everything is being reimaged – underlining the fact that **Digital is the new Default**.

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BOARD OF DIRECTORS



(Standing - Left to Right)

V Thyagarajan
Director

R Sommer
Director

P A Vandrevala
Director

A Mehta
Director

I Hussain
Director

O P Bhatt
Director

(Seated - Left to Right)

C M Christensen
Director

N Chandrasekaran
Chief Executive Officer
and Managing Director

CP Mistry
Chairman

Aarthi Subramanian
Executive Director

V Kelkar
Director

HIGHLIGHTS



Revenue
₹ 94,648 crore



15.7%



Net Profit
₹19,852 crore

Net Margin
21.0%



19.7%

Market Capitalisation
₹ 5,00,249 crore



3,15,000 +
Total Employees

Employee Count
1,00,000 +
Women Employees (33%)

122
Nationalities



Dividend
for FY 14 - 15

₹79
per share including

₹24
as final dividend*



* Proposed

MEMORIES OF THE YEAR

First company in India to have 1,00,000+ women associates

With a gender diversity ratio of approximately 33%, TCS crossed the milestone of employing more than 1,00,000 women during FY15, making it one of the largest employers of women in the world. Today, TCS is proud to have a senior woman leader on the board of directors of the Company, several leaders who are playing an active role in business, women managers who are taking the organisation to new heights across the globe as well as many young engineers who are starting their careers with TCS. This provides the platform for more women to take up the mantle of leadership to make this Company even stronger and more diverse.

From hiring the first woman engineer from campus back in 1982 to having a women workforce that is larger than the population of more than 25 countries in the world, TCS has pioneered the cause of gender diversity.



Debut edition of the TCS New York City Marathon

Attracting 50,000 runners from across the world every year, the TCS New York City Marathon is among the biggest and most prestigious endurance running events in the world. The inaugural edition of this race with TCS as the premier partner was run in 2014. This long-term partnership presents a great way for TCS to elevate its brand beyond the business community and accelerate our engagement with communities across North America to raise awareness about health and fitness. This initiative is symbolic of our continued investment and commitment to North America.

Hon'ble Prime Minister Modi drums up support for India at TCS Japan

TCS was honoured to welcome the Honorable Prime Minister of India, Shri Narendra Modi, the Chief Guest at the inauguration of the TCS Japan Technology and Culture Academy, aimed at enhancing the technology knowledge and cultural understanding between Indian and Japanese IT professionals. Images of the Hon'ble PM's spontaneous playing of ceremonial Taiko drums went viral on social media, signalling the increased partnership between India and Japan.

TCS Japan was formed in 2014. It is a unique venture formed in partnership with the Mitsubishi Corporation that aims to build a new global scale player with local knowledge in the Japanese IT industry, with TCS having a 51% stake in the new venture.



10 YEARS SINCE THE IPO

₹9,748 cr

our revenue in FY05

In FY10, it tripled and in FY15 it is almost 10 times
(Revenues as of March 31, 2015: ₹94,648 cr)

₹5 Trillion

our market cap

(Market cap as of March 31, 2015:
₹5,002,493 mn*)

1st Indian company to cross
this landmark

₹850

the price per share
when we went public

Today, it is approximately

₹10,000

(Return on investment of over 1100%)



2nd

our rank among
global IT employers

Over

\$80 bn

in market cap
(Market cap as
of March 31, 2015:
\$80,285 mn)



*As per NSE

OUR LEADERSHIP TEAM



N Chandrasekaran

Chief Executive Officer and Managing Director



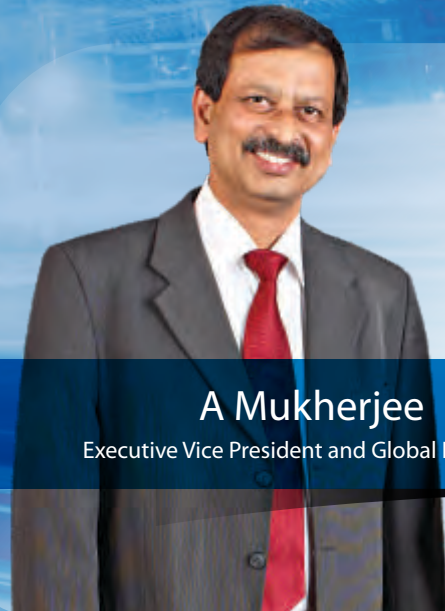
R Gopinathan

Chief Financial Officer



Aarthi Subramanian

Executive Director



A Mukherjee

Executive Vice President and Global Head - HR

LETTER FROM THE CEO



Dear Shareholders,

The fiscal year 2014-15 has been a year of milestones and memories for TCS. Your Company has continued to deliver strong performance and further strengthened its position in key markets. This industry-leading performance was achieved in an environment of currency headwinds and a fast changing industry landscape, even as we move into an economic and societal landscape where the Default is Digital.

The past year also marked 10 years since the IPO of your Company. To celebrate our journey in the past decade, the board of directors announced a special Dividend of ₹40 per share on this occasion. This has taken the total dividend paid in FY15 to ₹79 per share including ₹24 proposed as final dividend.

The giant strides your Company has taken since our listing would not have been possible without the energy and dedication of over 319,000 TCSers. The company announced a special one-time bonus of ₹2,630 crore for all TCSers with over one year of service in appreciation of their efforts.

During the year, your Company grew annual revenues by 15.7% to ₹94,648 crore, while

profit after tax grew 14.3% to ₹21,912 crore, excluding the impact of the special one-time employee bonus. This further underscores the management's focus on financial management and operating discipline. As a business, your Company continues to develop deeper, more strategic partnerships with global customers by playing the role of a full stakeholder in their business. Our ability to align our teams to the customer's business goals, together with our extensive domain and technology knowledge, has helped us remain relevant to our customers. During the year, we added 5 clients to the \$100m+ category, taking the total to 29 clients, while customers in the \$50+ and \$20+ million bands grew by 15 and 26 respectively. This underscores our ability to build long-lasting partnerships where we add value to the customer's business chain on a sustainable basis and reiterates our preparedness in newer services like Digital.

During the year, your Company has continued to elevate its position in key markets like North America, the UK, Europe, and Australia. Your Company continues to expand and strengthen its presence in new geographical markets. A significant milestone this year was the creation of Tata

Consultancy Services Japan Ltd. as a strategic joint venture with Mitsubishi Corporation. Japan is the world's second largest IT market by spend and a very important component of our integrated global strategy. TCS has strengthened its presence in Japan with 3,500 local associates, new customer relationships, and a partner with shared strategic vision and common values. India continues to show enormous future potential with the government embarking on several digital and e-governance initiatives, but like other emerging markets, the nature of demand continues to be volatile.

We are at the beginning of a new age where the Default is Digital – an interplay of a phenomenon called "Consumerisation of IT" fuelled by a set of technologies commonly referred to as Social, Mobile, Big Data & Analytics, Cloud, and AI & Robotics. Like the internet revolution and the PC revolution before that, this began as a technological change but is rapidly transforming into a sociological change, driving and impacting practically every facet of our lives and work. Today's systems are being shaped by technologies like machine learning and automation; manufacturing is moving to customised 3D printing; commerce is moving

online. Such transformative changes are the drivers of today's global economy, disrupting many traditional firms and indeed industries, driving businesses to change and adapt.

Your Company has been at the leading edge of the Digital revolution since its inception and has been investing steadily across the spectrum of technologies and domain-led solutions. We anticipated Digital as being a significant transformation opportunity for all our clients across many dimensions of their business. Going forward, new concepts like service-as-a-software, agile platforms and artificial intelligence will play a bigger role in enterprise IT and your Company is well positioned to play a significant role in this journey.

With over 319,000 professionals across 60 countries to achieve this, we are building a Digital organisation that is always learning. I am proud to report that on average an employee of your Company spent 10.3 days on training over the last twelve months. Over the last one year, TCSers, including the 23,875 graduates hired, have undergone 2.59 million days of online training in technologies and domains and over 72,000 new certifications were granted to them. Our simplified processes have empowered employees in their ability to control more aspects of their working lives. At the same time, your Company continues to use real-time analytics to track behaviours and impact and make changes as needed.

The Digital theme is beginning to dominate what is happening across all facets of society. In some of the following pages, we have attempted to provide glimpses of the type of impact these Digital technologies like mobile and social are having on the manner in which we engage with and hire talent from universities and how we use technology to serve our customers. Digital is also having a big impact on applications that help alleviate some of society's pressing problems.

FY 15 was also a year of memories for your Company and it is my pleasure to share some of these achievements with you.

- Your Company was proud to become one of the few organisations in the world employing more than 100,000 women. Our talent pool's gender diversity ratio of 33% is something we are all proud of and we hope to see more successful women leaders emerge in the future.
- Your Company created a record on the Indian bourses by becoming the first Indian company to cross five lakh crore or five trillion rupees in market capitalisation in 2014.

- Your Company's contribution to the communities where TCSers live and work is also increasing in scope and scale - micro-projects in education, health and skills development in cities and communities in India, USA, the UK, Australia, and many others. I am proud to say that your Company contributed approximately ₹20 crore, including a generous voluntary contribution of ₹4.5 crore by TCS employees, to relief operations in natural disasters like the J&K Floods relief operation and the Hudhud Cyclone relief in Andhra Pradesh.

On a national scale, your Company has pledged ₹100 crore to the 'Swachh Bharat, Swachh Vidyalaya Abhiyan' to build dedicated sanitation facilities for girl students in adopted government schools. The program is being rolled-out in a phase-wise manner, with 860 schools targeted in Phase-1.

Internationally, our action agenda focuses on STEM education in developed markets - where there is a lack of skilled talent in areas like math and engineering - through policy initiatives, technology platforms and school outreach activities. We are also focused on health as well as wellness in society through your Company's participation in marathons across key global cities like New York, Amsterdam, Chicago and Mumbai. We are extending popular TCS programs like Fit4life to the community by organising campus and corporate running programs.

As an organisation, your Company continues to be driven by a strong performance ethic and a strong set of values and behaviours and is committed to delivering excellence to its stakeholders. Our investments in our people, capabilities, technology and infrastructure continue to ensure that your Company remains relevant to our customers and close to their business.

I look forward to your support and encouragement to help your Company scale newer heights in the coming years. Lastly, I would also like to thank all TCSers for their professionalism and focus that have made these achievements possible.

With warm regards

N Chandrasekaran

Chief Executive Officer and Managing Director

May 21, 2015