TCS/BM - 16/SE/2014-15

October 16, 2014

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Mumbai 400 051
Kind Attn: Manager, Listing Department

BSE Limited
P. J. Towers, Dalal Street,
Mumbai 400 001
Kind Attn: General Manager
Department of Corporate Services
Scrip Code No. 532540 (BSE)

Dear Sirs,

Sub: Press Release

We are sending herewith a copy of a Press Release which will be disseminated shortly. The Press Release is self-explanatory.

Thanking you

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

Suprakash

Suprakash Mukhopadhyay
Vice President and Company Secretary

TATA CONSULTANCY SERVICES
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Corporate Identification No. (CIN): L22210MH1995PLC084781

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IGAAP ₹

Strong Volumes drive steady growth in Q2

Revenue at ₹23,816 crore up 7.7 % Q-o-Q; up 13.5 % Y-o-Y

- **Net Profit at ₹ 5,244 crore down 5.8 % Q-o-Q; up 13.2% Y-o-Y**
- **Strong organic volume growth at 6.1%**
- **Crosses Milestone of employing 100,000 women professionals**

MUMBAI, October 16, 2014: Tata Consultancy Services (BSE: 532540, NSE: TCS), the leading IT services, consulting and business solutions firm reported its consolidated financial results according to Indian GAAP for the quarter ended September 30, 2014.

Financial Highlights for Quarter Ended September 30, 2014

- Operating Profit at ₹ 6,351 crore; Growth of 7.0 % Q-o-Q
- Operating Margin at 26.7 %
- Dividend per share of ₹ 5
- Earnings Per Share at ₹ 26.78

Business Highlights for Quarter Ended September 30, 2014

- Gross employee addition: **20,350**
- Total headcount: **313,757**
- Utilization: **86.2%** (excluding trainees) & **81.3%** (including trainees)
- Four $50+ million clients added; Nine $20+ million clients added

Commenting on the Q2 performance, Chief Executive Officer and Managing Director, N Chandrasekaran said: "Driven by strong volumes and robust utilization rates, this has been a quarter of steady, consistent performance. Our well-rounded showing has been highlighted by broad-based growth in our key markets, industries and services as we continued to deepen our engagement with customers."

Mr Chandrasekaran added: "Our customers are focused on using Digital technologies to reimagine their business in multiple dimensions and with our significant investments as well as deep capabilities in these areas, we remain well positioned to act as a catalyst and enable their business innovation across the enterprise."

Rajesh Gopinathan, Chief Financial Officer, said: "We remain focused on supporting business growth by optimizing our operations and maintaining margins in our desired range. Our cash generation has been strong resulting in high cash conversion ratios and we continue to make investments for the business growth."

Growth in Q2 was broad-based with all industries growing on a sequential basis. The impact of the integration of newly merged entity in Japan also provided additional growth to units like Manufacturing, Hi-Tech. All core markets like North America, Europe and UK grew smartly. Emerging markets continued to be volatile with India growing while Latin America faltered in Q2. There was balanced growth across IT and other service lines led by Infrastructure Services and Engineering Services.

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Select Key Wins

- Chosen as a strategic partner by a leading North American diversified process manufacturing major for providing Application Management & Support services
- Chosen as the Technology Partner by a leading European Global Communications Software and Services Company and has been awarded the full Service Desk, Application Maintenance and Development portfolios
- Selected by a leading North American Investment Management Company as the sole right sourcing partner for providing Application Development, Assurance & IT Infrastructure Services
- Won an engagement to provide Infrastructure Services to a leading European oil services company
- Chosen as a strategic partner by a large North American health plan provider to provide next generation infrastructure solutions
- Selected by a leading UK-based mutual Financial Institution as their strategic partner to manage their core banking systems and Business Process Management Platform
- Chosen by a North American Utility major as a Strategic Partner to provide managed services across applications and infrastructure
- Chosen by a leading UK based Airline as its strategic partner to provide end to end Application and Infrastructure Transformation services across the Enterprise

Key Wins in Digital Services and Solutions

- Selected by a global technology pioneer to help architect and deliver its workplace re-imagination initiative
- Selected as a strategic partner by a North American property and casualty insurance company to drive its digital technology initiatives that involve policies and customer lifecycle management
- Selected by a North American commercial bank as a strategic partner to transform their Information Management landscape
- Selected by one of the largest retailers in Asia-Pacific for complete migration of their structured and unstructured data to a Hadoop based platform using the TCS Active Archive™ Big Data product
- Won an engagement with an Asia Pacific airline, to enable hyper-connected social collaboration within their operations unit by leveraging TCS Knome™ product
- Engaged by a leading European Airline company to enhance all their customer facing channels including web, mobile and airport kiosks
- Engaged by a leading North American Bank to establish a Centre of Excellence for Creative Design
- Engaged by a multi-brand online retailer to provide consulting services for personalized promotions at scale, product recommendations, and customer strategy and lifecycle management
- Engaged by a leading global bank to set up a User Experience Center for its retail banking division
- Engaged by a leading provider of general hospital healthcare services in the United States to consolidate huge volumes of data and enable analytics
- Engaged by an American drug wholesale company to provide consulting, implementation and enhancement for their data management initiative

Innovation and Intellectual Property:

- As of September 30, 2014, the company has applied for **1931** patents including **94** applied during the quarter. Till date, the company has been granted **150** patents.

Human Resources:

The company continued to hire to support business growth. There was a total gross addition of 20,350 people (net addition of 8,326 employees) taking the total employee strength of 313,757 employees on a consolidated

basis. The utilization rate (excluding trainees) was at 86.2% and that including trainees was 81.3%. The attrition rate (LTM) was at 12.8% per cent including BPS.

During the quarter, the company crossed the milestone of employing 100,000 women professionals with a gender diversity ratio of 32.9%. "Diversity of talent remains a key source of strength for the organization and during the quarter, we crossed the milestone of having 100,000 women professionals in our workforce," said **Ajoy Mukherjee, Executive vice president and Global Head, Human Resources**. "Our hiring plan for FY15 is on track as we continue to build a talent pipeline in line with business demands."

Awards and Recognition:

Business Leadership:

- World's 100 Most Innovative Companies - Forbes
- Company of the Year – The Economic Times
- Six awards at Asia's Best Employer Brand Awards 2014, Singapore:
  - BPO Organisation of the Year
  - Talent Management
  - Innovation in Recruitment
  - Excellence in Training
  - Best HR Strategy in Line With Business
  - Operational Excellence & Quality in the BPO Industry
- Indian Multinational of the Year award - AIMA Managing India Awards 2014
- Best Technology Provider - Reactions (North America)
- Multiple awards at Asian Telecom Leadership Awards 2014
  - Best Telecom Software
  - Best Value Added Services Providers
  - Best General Social Initiative Award for mKrishi
- Ranked among Top 10 global service providers in China

Partner:

- Multiple awards at the CA Technologies Partner Summit :
  - FY14 Country Partner of the Year
  - Partner of the Year - Security solutions
  - Public Sector Partner of the Year
- Oracle Excellence Awards
  - Global System Integrator Customer Experience (CX) Applications
  - Specialised Partner of the Year

Sustainability:

- Global Leader in sustainability - Dow Jones Sustainability World Index 2014
- Ranked Number One of Top 100 Companies in Asia in Sustainability Ranking

Leadership:

N Chandrasekaran:

- Voted Best CEO in the Institutional Investor's 2014 Annual All-Asia Executive Team Rankings

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Consolidated Statement of Profit and Loss
For the quarter ended September 30, 2013, June 30, 2014 and September 30, 2014
(In crores of ₹, except per share data)

	Quarter ended September 30, 2013	Quarter ended June 30, 2014	Quarter ended September 30, 2014
INCOME			
a) IT & Consultancy Services	20,533	21,793	23,359
b) Manufacturing, Sale of equipment and Licences	444	318	457
Total Income	**20,977**	**22,111**	**23,816**
EXPENDITURE			
a) Salaries & Wages	7,610	8,532	9,056
b) Overseas business expenditure	2,913	3,283	3,396
c) Other operating expenses	3,821	3,943	4,564
Total Expenditure	**14,344**	**15,758**	**17,016**
Profit Before Interest, Depreciation, Taxes & Other Income	**6,633**	**6,353**	**6,800**
Interest	12	9	67
Depreciation	328	417	449
Profit Before Taxes & Other Income	**6,293**	**5,927**	**6,284**
Other income (expense), net	(26)	787	663
Profit Before Taxes & Exceptional Items	**6,267**	**6,714**	**6,947**
Exceptional items	0	490	0
Profit Before Taxes	**6,267**	**7,204**	**6,947**
Provision For Taxes	1,595	1,599	1,635
Profit After Taxes & Before Minority Interest	**4,672**	**5,605**	**5,312**
Minority Interest	39	37	68
Net Profit	**4,633**	**5,568**	**5,244**
Earnings per share in ₹	23.63	28.42	26.78

Consolidated Balance Sheet
As at March 31, 2014 and September 30, 2014
(In crores of ₹)

	As at March 31, 2014	As at September 30, 2014
EQUITY AND LIABILITIES		
Shareholders' Funds	49,195	48,462
Minority Interest	708	1,079
Short term and long term borrowings	254	198
Deferred Tax Liabilities (net)	309	334
Current liabilities and provisions	15,543	13,674
Non-current liabilities and provisions	1,129	1,244
Total Liabilities	**67,138**	**64,991**
ASSETS		
Fixed Assets (net)	10,444	11,878
Investments	3,434	602
Deferred Tax Assets (net)	420	515
Goodwill (on consolidation)	2,269	2,235
Cash and Bank Balance	14,442	12,101
Current Assets, Loans and Advances	27,297	30,445
Non-current Assets, Loans and Advances	8,832	7,215
Total Assets	**67,138**	**64,991**

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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™, recognized as the benchmark of excellence in software development. A part of the Tata group, India's largest industrial conglomerate, TCS has over 310,000 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.

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