



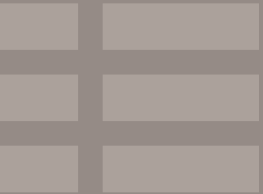
TCS Financial Results

Quarter I FY 2013 - 14

18th Jul 2013

Disclaimer

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT services companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.



Highlights

Q1 FY14 Performance Highlights

➤ Revenue:

- INR Revenue of **₹179,871 Mn**, growth of **9.5% QoQ** and **21.0% YoY**
- USD Revenue of **\$3,165 Mn**, growth of **4.1% QoQ** and **16.0% YoY**
- Constant currency revenue growth of **4.8%**, volume growth of **6.1% QoQ**

➤ Profit:

- Operating Income at **₹ 48,627 Mn**, Operating Margin of **27.0%**
- Net Income at **₹ 37,962 Mn**, Net Margin of **21.1%**

➤ Demand:

- Added **2** new clients in \$100M+ revenue band
- **10** large deals signed across verticals

➤ People:

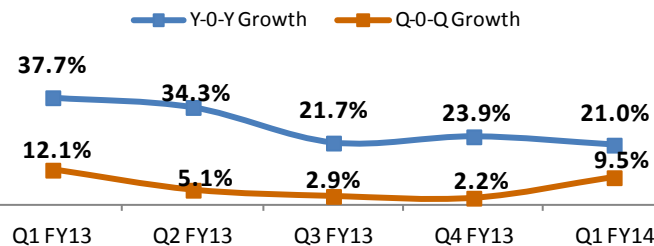
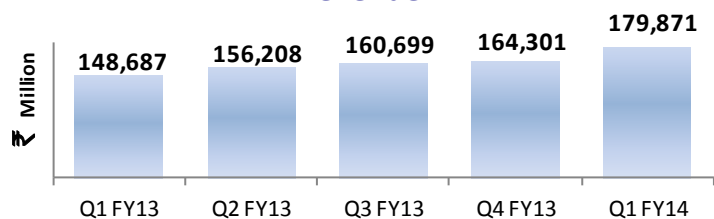
- Gross addition of **10,611** associates, closing headcount: **277,586**
- Utilization at **82.68%** (ex-trainees) and **72.49%** (including trainees)

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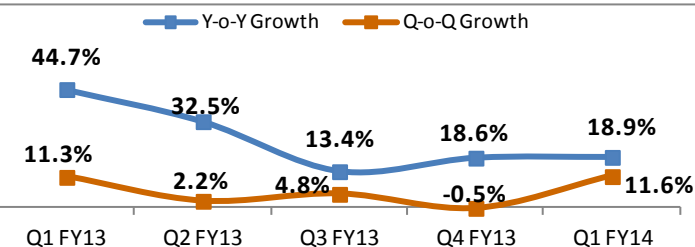
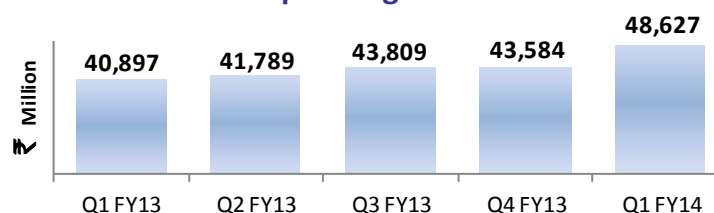
Financial Performance

IFRS Summary (INR)

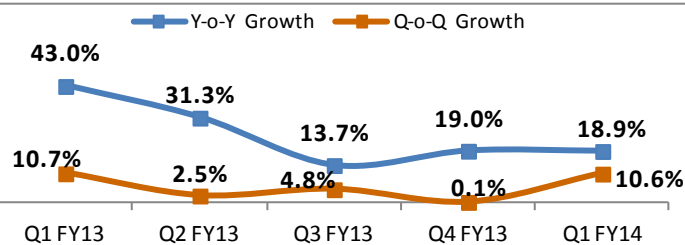
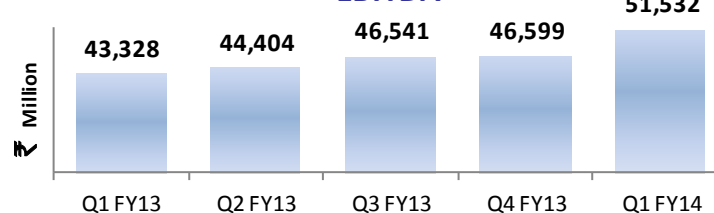
Revenue



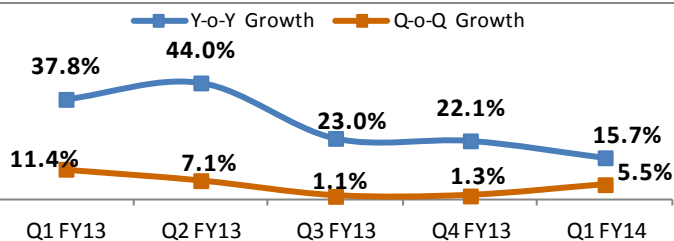
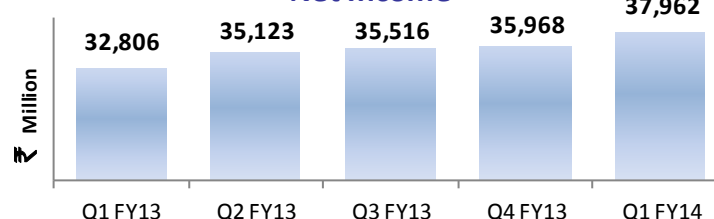
Operating Income



EBITDA

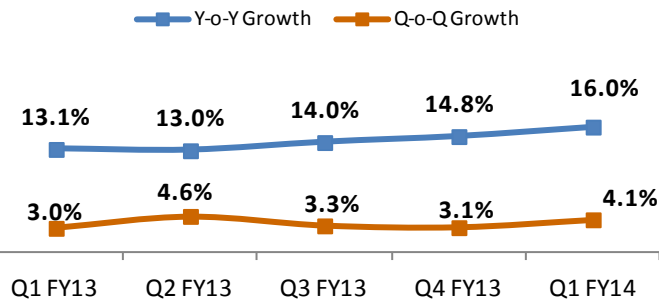
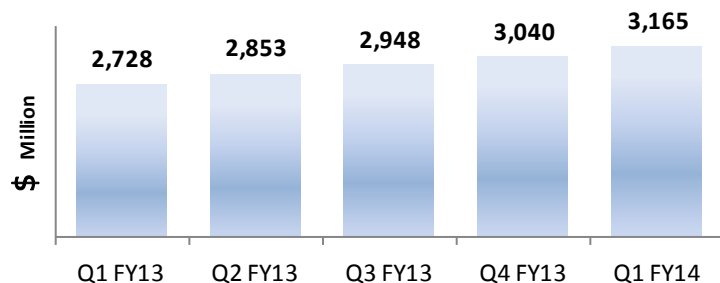


Net Income

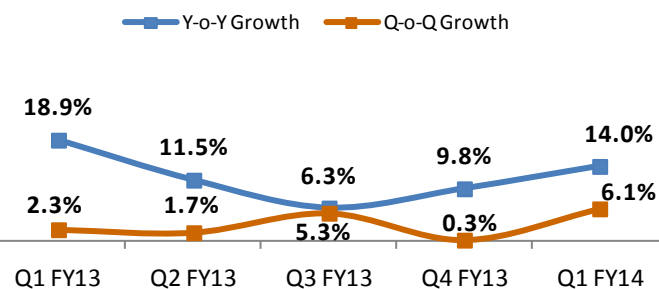
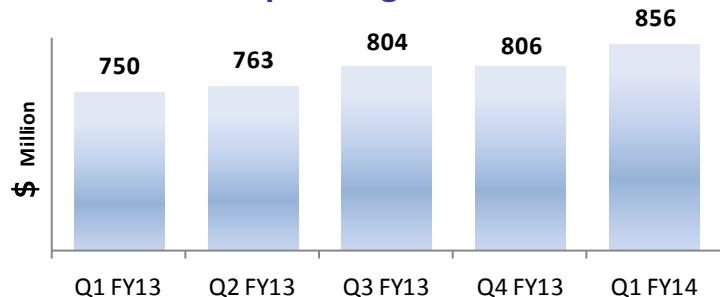


IFRS Summary (USD)

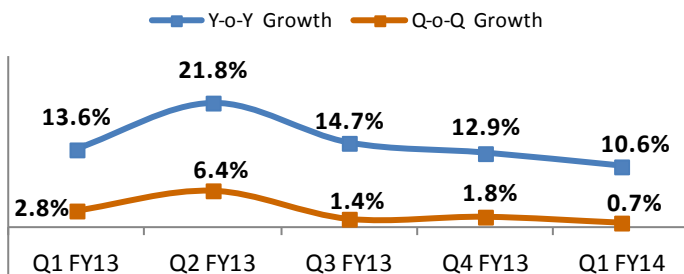
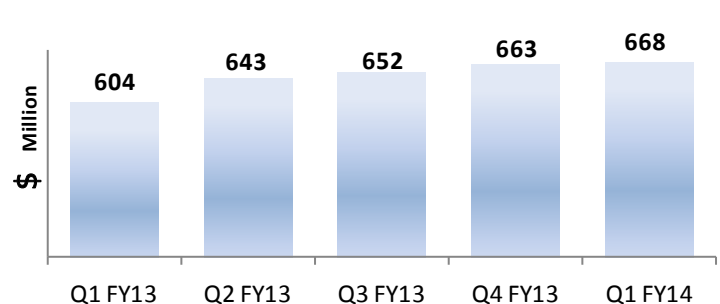
Revenue



Operating Income



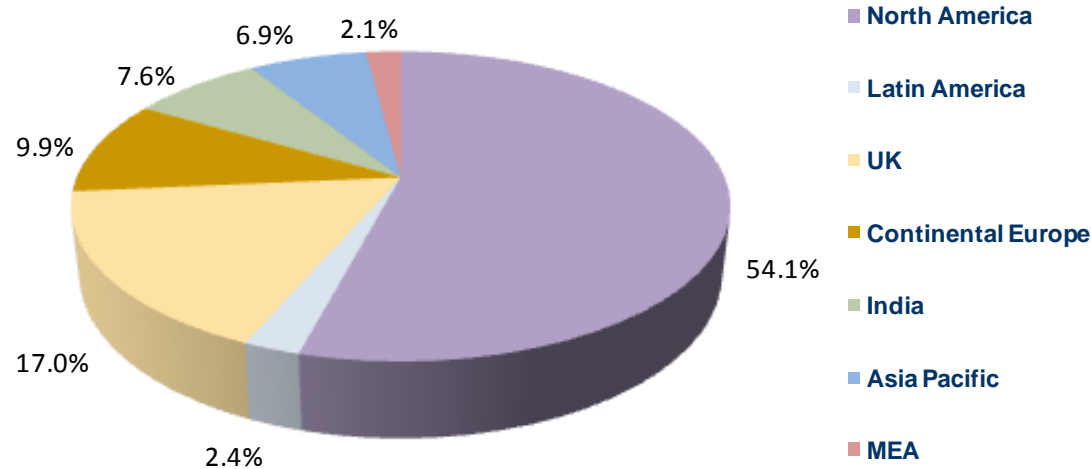
Net Income



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Operational Performance

Growth by Market

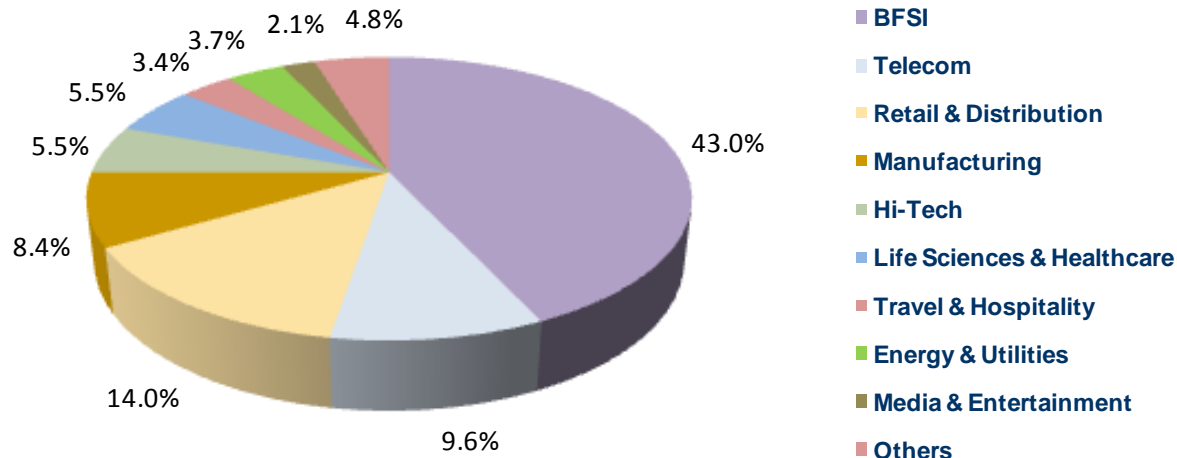


Geography (%)	Q1 FY14	Q4 FY13	Q-o-Q Growth	Q1 FY13	Y-o-Y Growth
Americas					
North America	54.1	53.2	11.5	54.5	20.2
Latin America*	2.4	2.4	7.0	2.0	43.3
Europe					
UK	17.0	16.8	11.0	17.0	21.1
Continental Europe	9.9	9.4	14.0	9.9	21.0
India	7.6	8.8	-4.6	7.1	30.8
Asia Pacific	6.9	7.3	3.4	7.4	12.6
MEA	2.1	2.1	7.5	2.1	16.1
Total	100.0	100.0	9.5	100.0	21.0

Growth in INR terms

*Reclassified based on location of contracts, as is done in other regions

Growth by Domain

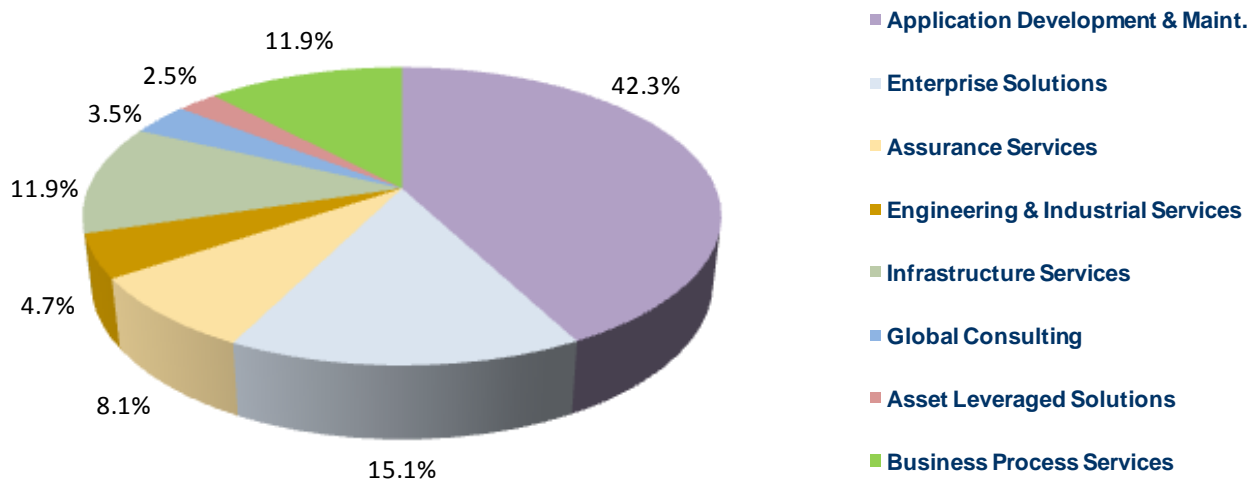


IP Revenue (%)	Q1 FY14	Q4 FY13	Q-o-Q Growth	Q1 FY13	Y-o-Y Growth
BFSI	43.0	43.5	8.0	43.0	21.0
Telecom	9.6	9.3	13.1	10.3	13.3
Retail & Distribution	14.0	13.4	14.9	13.2	29.7
Manufacturing	8.4	8.5	9.1	7.9	29.4
Hi-Tech	5.5	5.7	5.8	6.0	9.8
Life Sciences & Healthcare	5.5	5.1	17.8	5.3	24.7
Travel & Hospitality	3.4	3.4	9.5	3.7	11.8
Energy & Utilities	3.7	3.8	5.5	3.6	22.8
Media & Entertainment	2.1	2.1	8.7	2.2	14.4
Others	4.8	5.2	0.6	4.8	18.5
Total	100.0	100.0	9.5	100.0	21.0

Growth in INR terms

Note: The growth rates reported here are based on actual revenues in INR. Calculating growth using the % Rev figures might result in some variance due to rounding error.

Growth by Service Line



SP Revenue (%)	Q1 FY14	Q4 FY13	Q-o-Q Growth	Q1 FY13	Y-o-Y Growth
IT Solutions and Services					
Application Development & Maint.	42.3	42.4	9.3	43.4	18.2
Enterprise Solutions	15.1	15.5	6.7	15.2	19.9
Assurance Services	8.1	7.8	13.2	7.6	29.2
Engineering & Industrial Services	4.7	4.6	12.0	4.6	24.8
Infrastructure Services	11.9	12.1	7.4	10.6	35.1
Global Consulting	3.5	3.1	24.3	2.8	50.0
Asset Leveraged Solutions	2.5	2.5	9.1	2.8	6.8
Business Process Services	11.9	12.0	8.9	13.0	10.7
Total	100.0	100.0	9.5	100.0	21.0

Growth in INR terms

Note: The growth rates reported here are based on actual revenues in INR. Calculating growth using the % Rev figures might result in some variance due to rounding error.

Client Parameters

	Q1 FY14	Q4 FY13
Clients Contribution *		
US\$ 1m+ Clients	657	638
US\$ 5m+ Clients	309	290
US\$ 10m+ Clients	216	211
US\$ 20m+ Clients	124	121
US\$ 50m+ Clients	53	52
US\$ 100m+ Clients	19	17

*Last Twelve Months' services revenues; includes clients in India

Operational Parameters

Revenue %	Q1 FY14	Q4 FY13
Delivery Location*		
Onsite	46.3	46.5
Global DC	5.2	5.2
India DC	48.5	48.3
Contract Type*		
Time & Material	47.8	48.7
Fixed Price & Time	52.2	51.3

*Includes services revenues from India

Key Wins

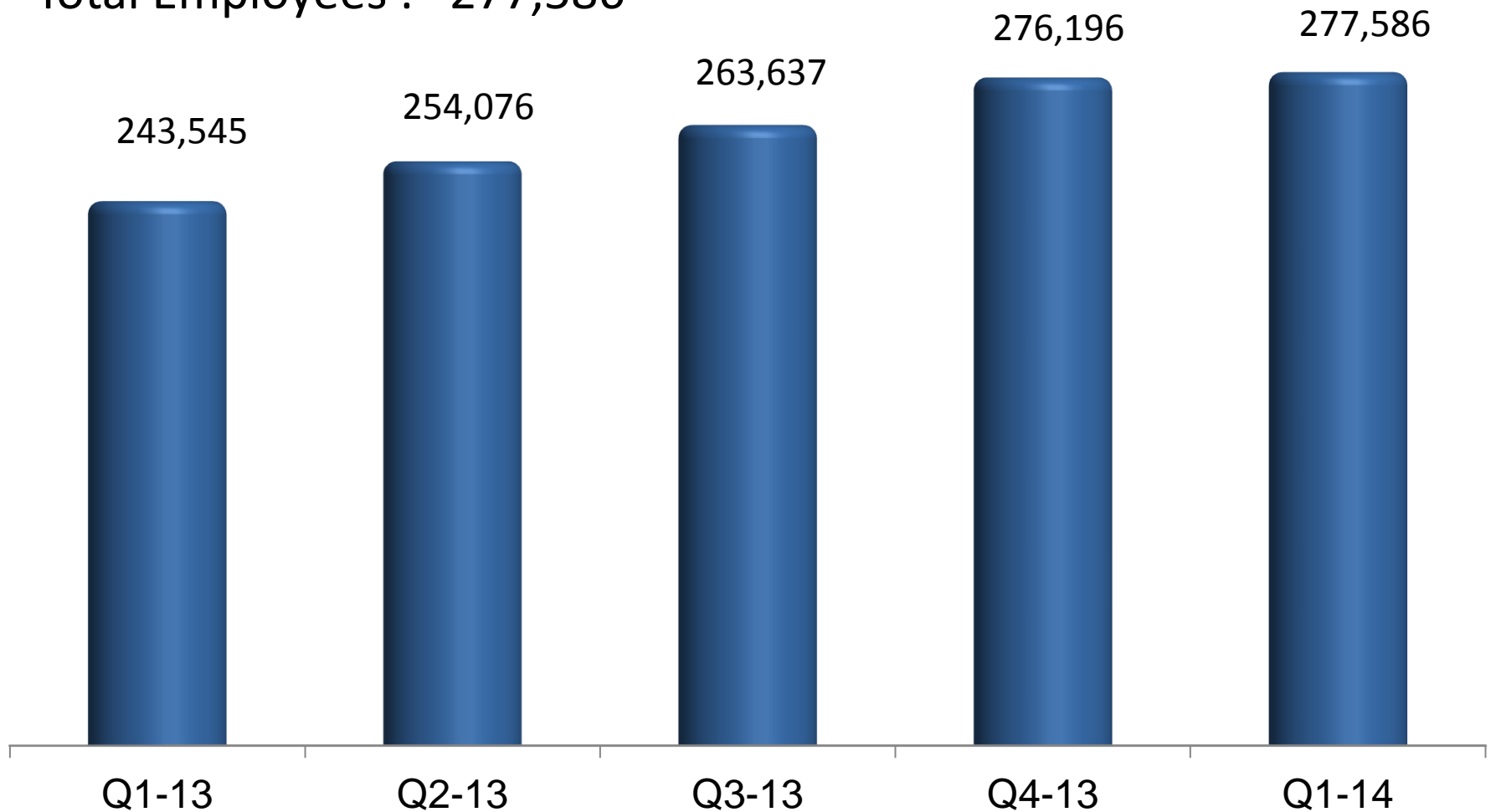
- Department of Post engaged TCS as their central transformation system integrator. TCS is providing common infrastructure for eight large modernisation programs, transforming the core mail operations for DoP as well as back office operations like HR and F&A, making services easily accessible through internet and mobile devices by the citizens and postmen.
- TCS has been engaged by a leading Nordic airlines in an end-to-end IT outsourcing contract to deliver IT infrastructure services, application development and management and drive innovation to help the airline in its transformational journey.
- TCS has been selected by aerospace major as a strategic partner in the IT application services space.
- TCS won a transformation deal in assurance services to drive efficiency and innovation in testing for a large health services organization in North America.
- For a leading North American communications provider, TCS has been chosen as a strategic partner of choice to provide holistic assurance solutions across their entire IT estate in a managed services mode
- A large Asia-Pacific conglomerate has awarded TCS a back office transformation deal.
- For a large utilities customer in Australia TCS was selected for providing front office operations.
- TCS was selected as a strategic partner and was awarded a contract for application development and infrastructure support by a leading North American broad-line supplier of maintenance, repair and operating products.
- A North America based global financial services company has awarded TCS an engagement covering application development, maintenance and assurance of their core banking and enterprise systems.
- A North America based global financial services company has awarded TCS a large managed services engagement for its cards platform

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Human Resources

Total Employee Base

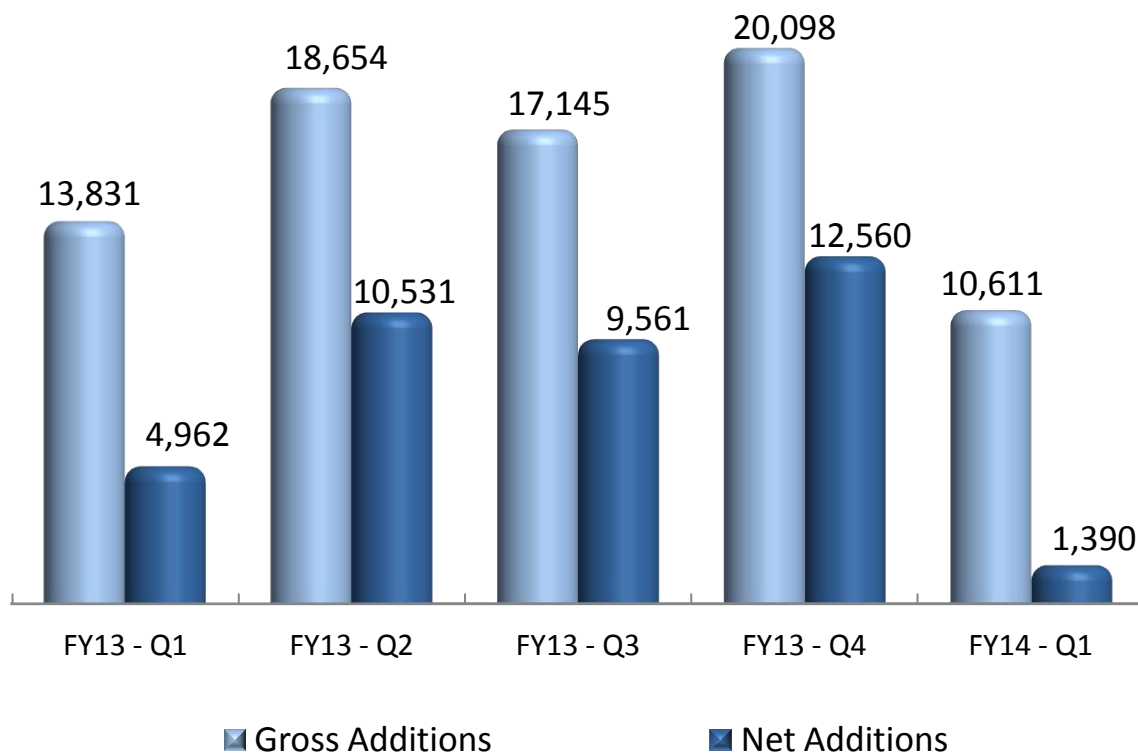
Total Employees : 277,586



Q1 Consolidated - Gross Additions 10,611 & Net Additions 1,390

Gross Additions:

- 751 Trainees & 6,605 Laterals in India
- 3,255 employees overseas



Attrition*:

- 10.52% (LTM), including BPO
- IT Services: 9.55% (LTM)
- BPO: 15.77% (LTM)

Utilization Rate*:

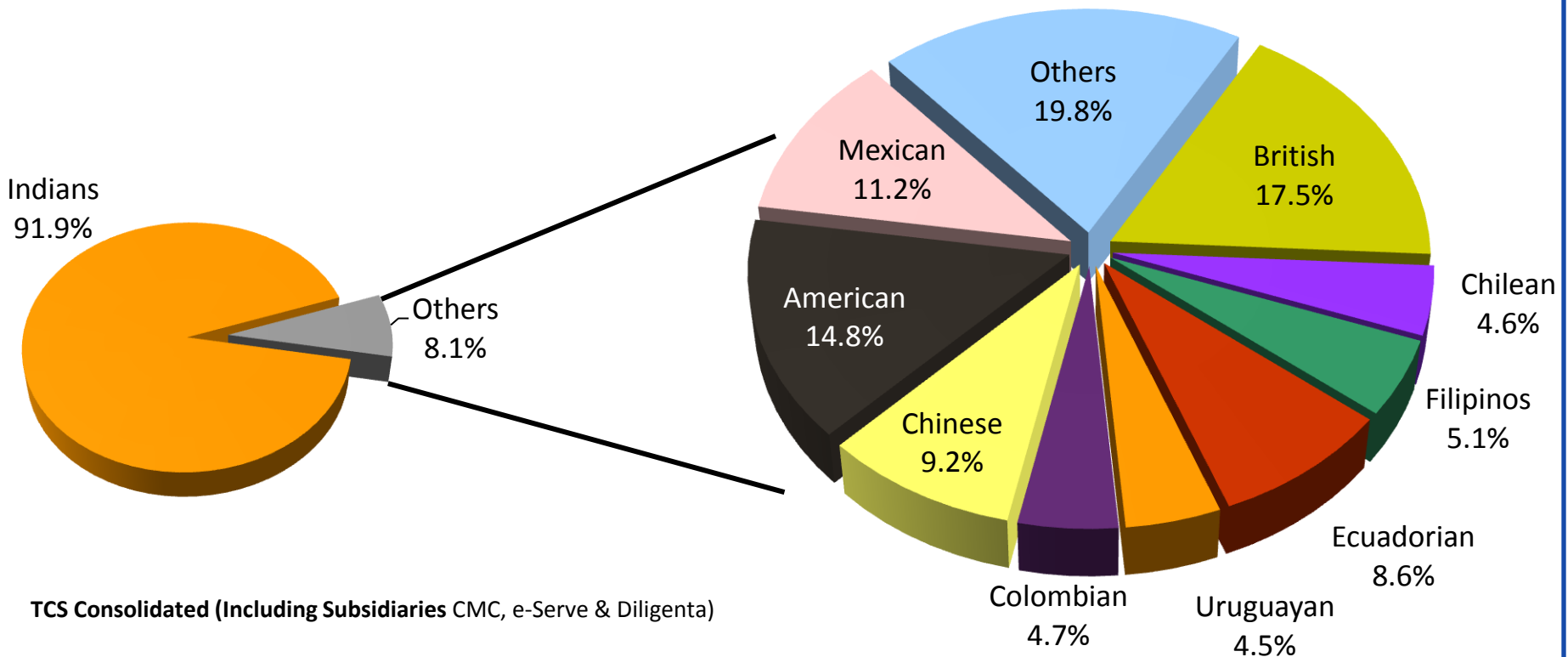
- 82.68% (excluding Trainees)
- 72.49% (including Trainees)

* Excluding Subsidiaries: CMC, e-Serve & Diligenta

Diversity

- 32.3% of our workforce are women
- 60.7% of our associates have more than 3 years of work experience
- Associates from 118 nationalities

Composition of International Workforce (Consolidated)



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Annexure

Indian GAAP Income Statement - Consolidated

Consolidated Indian GAAP	₹ Crore			% of Revenue		
	Q1 FY14	Q4 FY13	Q1 FY13	Q1 FY14	Q4 FY13	Q1 FY13
INCOME						
a) IT & Consultancy Services	17,552	15,851	14,521	97.58	96.47	97.66
b) Manufacturing, Sale of equipment and Licences	435	579	348	2.42	3.53	2.34
Total Income	17,987	16,430	14,869	100.00	100.00	100.00
EXPENDITURE						
a) Salaries & Wages	6,965	6,245	5,707	38.72	38.01	38.38
b) Overseas business expenditure	2,498	2,262	2,063	13.89	13.77	13.87
c) Other operating expenses	3,380	3,306	2,775	18.79	20.12	18.67
Total Expenditure	12,843	11,813	10,545	71.40	71.90	70.92
Profit Before Interest, Depreciation, Taxes & Other Income	5,144	4,617	4,324	28.60	28.10	29.08
Interest	7	19	6	0.04	0.12	0.04
Depreciation	297	290	247	1.65	1.76	1.66
Profit Before Taxes & Other Income	4,840	4,308	4,071	26.91	26.22	27.38
Other income (expense), net	259	443	186	1.44	2.70	1.25
Profit Before Taxes	5,099	4,751	4,257	28.35	28.92	28.63
Provision For Taxes	1,226	1,093	899	6.82	6.65	6.05
Profit After Taxes & Before Minority Interest	3,873	3,658	3,358	21.53	22.27	22.58
Minority Interest	42	42	40	0.23	0.26	0.26
Net Profit	3,831	3,616	3,318	21.30	22.01	22.32

Indian GAAP Balance Sheet - Consolidated

Consolidated Indian GAAP	₹ Crore		%	
	30-Jun-13	31-Mar-13	30-Jun-13	31-Mar-13
Source of Funds				
Shareholders' Funds	41,824	38,646	95.58	95.41
Minority Interest	717	695	1.64	1.72
Loan Funds	296	211	0.68	0.52
Deferred Tax Liability	274	235	0.63	0.58
Non Current Liabilities	646	717	1.47	1.77
Total Liabilities	43,757	40,504	100.00	100.00
Application of Funds				
Fixed Assets (net)	8,637	8,142	19.74	20.10
Goodwill	4,138	3,582	9.45	8.84
Deferred Tax Asset	339	310	0.78	0.77
Investments	3,345	1,897	7.65	4.69
<i>Cash and Bank Balance</i>	<i>6,812</i>	<i>6,769</i>	<i>15.57</i>	<i>16.71</i>
<i>Current Assets, Loans and Advances</i>	<i>26,532</i>	<i>23,700</i>	<i>60.63</i>	<i>58.51</i>
<i>Current Liabilities and Provisions</i>	<i>13,947</i>	<i>11,585</i>	<i>31.87</i>	<i>28.60</i>
Net Current Assets	19,397	18,884	44.33	46.62
Non Current Assets	7,901	7,689	18.05	18.98
Total Assets	43,757	40,504	100.00	100.00

IFRS Income Statement

Consolidated IFRS	₹ Million			% of Revenue		
	Q1 FY14	Q4 FY13	Q1 FY13	Q1 FY14	Q4 FY13	Q1 FY13
Revenue	179,871	164,301	148,687	100.00	100.00	100.00
Cost of revenue	96,700	87,592	80,012	53.76	53.31	53.81
Gross margin	83,171	76,709	68,675	46.24	46.69	46.19
SG & A expenses	34,544	33,125	27,778	19.21	20.16	18.68
Operating income	48,627	43,584	40,897	27.03	26.53	27.51
Other income (expense), net	2,517	4,184	1,754	1.40	2.55	1.17
Income before income taxes	51,144	47,768	42,651	28.43	29.08	28.68
Income taxes	12,312	11,420	9,457	6.84	6.96	6.36
Income after income taxes	38,832	36,348	33,194	21.59	22.12	22.32
Minority interest	870	380	388	0.48	0.23	0.26
Net income	37,962	35,968	32,806	21.11	21.89	22.06
Earnings per share in ₹	19.40	18.38	16.76			

COR – SG&A Details

COR	₹ Million			% of Revenue		
	Q1 FY14	Q4 FY13	Q1 FY13	Q1 FY14	Q4 FY13	Q1 FY13
Employee cost	68,221	60,799	57,014	37.93	37.00	38.34
Fees to external consultants	10,423	9,601	7,778	5.79	5.85	5.23
Equipment & software	4,027	4,914	2,901	2.24	2.99	1.95
Depreciation	1,809	1,862	1,524	1.01	1.13	1.02
Travel	2,447	2,238	2,216	1.36	1.36	1.49
Communication	1,511	1,332	1,287	0.84	0.81	0.87
Facility expenses	3,731	3,313	3,398	2.07	2.02	2.29
Other expenses	4,531	3,533	3,894	2.52	2.15	2.62
Cost of Revenue	96,700	87,592	80,012	53.76	53.31	53.81

SGA	₹ Million			% of Revenue		
	Q1 FY14	Q4 FY13	Q1 FY13	Q1 FY14	Q4 FY13	Q1 FY13
Employee cost	24,006	21,646	18,583	13.35	13.18	12.50
Fees to external consultants	764	673	809	0.43	0.41	0.54
Provision for Doubtful Debts	206	136	203	0.11	0.08	0.14
Depreciation	1,096	1,153	907	0.61	0.70	0.61
Facility expenses	2,737	2,718	2,164	1.52	1.65	1.45
Travel	2,117	1,953	1,738	1.18	1.19	1.17
Communication	637	560	583	0.35	0.34	0.39
Education, Recruitment and training	582	552	620	0.32	0.34	0.42
Marketing and Sales promotion	661	475	613	0.37	0.29	0.41
Other expenses	1,738	3,259	1,558	0.97	1.98	1.05
S G & A expenses	34,544	33,125	27,778	19.21	20.16	18.68

IFRS Balance Sheet

Consolidated IFRS	30-Jun-13		31-Mar-13	
	₹ Million	%	₹ Million	%
Assets				
Property and equipment	86,230	15.00	81,944	15.80
Intangible assets and Goodwill	40,893	7.11	35,063	6.76
Accounts Receivable	162,546	28.27	140,956	27.17
Unbilled Revenues	38,205	6.64	31,410	6.06
Investments	34,943	6.08	20,402	3.93
Cash and Cash equivalents	21,519	3.74	18,432	3.55
Other current assets	110,483	19.21	113,352	21.85
Other non current assets	80,214	13.95	77,198	14.88
Total assets	575,033	100.00	518,757	100.00
Liabilities and Shareholders' Equity				
Shareholders' Funds	420,316	73.10	409,481	78.93
Redeemable Preference Shares	1,000	0.17	1,000	0.19
Long term borrowings	1,287	0.22	1,310	0.25
Short term borrowings	1,918	0.33	1,013	0.20
Other current liabilities	130,139	22.64	85,715	16.52
Other non-current liabilities	13,197	2.29	13,677	2.64
Minority Interest	7,176	1.25	6,561	1.27
Total Liabilities	575,033	100.00	518,757	100.00

IFRS Income Statement – In USD

Consolidated IFRS	\$ Million			% of Revenue		
	Q1 FY14	Q4 FY13	Q1 FY13	Q1 FY14	Q4 FY13	Q1 FY13
Revenue	3,165	3,040	2,728	100.00	100.00	100.00
Cost of revenue	1,701	1,621	1,468	53.76	53.31	53.81
Gross margin	1,464	1,419	1,260	46.24	46.69	46.19
SG & A expenses	608	613	510	19.21	20.16	18.68
Operating income	856	806	750	27.03	26.53	27.51
Other income (expense), net	44	78	33	1.40	2.55	1.19
Income before income taxes	900	884	783	28.43	29.08	28.70
Income taxes	217	215	172	6.84	7.06	6.30
Income after income taxes	683	669	611	21.59	22.02	22.40
Minority interest	15	6	7	0.48	0.20	0.26
Net income	668	663	604	21.11	21.82	22.14
Earnings per share in \$	0.34	0.34	0.31			

COR – SG&A Details – In USD

COR	\$ Million			% of Revenue		
	Q1 FY14	Q4 FY13	Q1 FY13	Q1 FY14	Q4 FY13	Q1 FY13
Employee cost	1,200	1,125	1,046	37.93	37.00	38.34
Fees to external consultants	183	178	143	5.79	5.84	5.23
Equipment & software	71	91	53	2.24	2.99	1.95
Depreciation	32	35	28	1.01	1.13	1.02
Travel	43	41	41	1.36	1.36	1.49
Communication	27	25	24	0.84	0.82	0.87
Facility expenses	66	61	62	2.07	2.02	2.29
Other expenses	79	65	71	2.52	2.15	2.62
Cost of Revenue	1,701	1,621	1,468	53.76	53.31	53.81
SGA	\$ Million			% of Revenue		
	Q1 FY14	Q4 FY13	Q1 FY13	Q1 FY14	Q4 FY13	Q1 FY13
Employee cost	422	401	341	13.35	13.18	12.50
Fees to external consultants	13	13	15	0.42	0.41	0.54
Provision for Doubtful Debts	4	3	4	0.11	0.08	0.14
Depreciation	19	21	17	0.61	0.70	0.61
Facility expenses	48	50	40	1.52	1.65	1.46
Travel	37	36	32	1.18	1.19	1.17
Communication	11	10	11	0.35	0.34	0.39
Education, Recruitment and training	11	10	11	0.33	0.34	0.42
Marketing and Sales promotion	12	9	11	0.37	0.29	0.41
Other expenses	31	60	28	0.97	1.98	1.04
S G & A expenses	608	613	510	19.21	20.16	18.68

IFRS Balance Sheet in USD

Consolidated IFRS	30-Jun-13		31-Mar-13	
	\$ Million	%	\$ Million	%
Assets				
Property and equipment	1,453	15.00	1,508	15.80
Intangible assets and Goodwill	689	7.11	645	6.76
Accounts Receivable	2,738	28.27	2,594	27.17
Unbilled Revenues	644	6.64	578	6.06
Investments	589	6.08	376	3.93
Cash and Cash equivalents	362	3.74	339	3.55
Other current assets	1,861	19.21	2,087	21.85
Other non current assets	1,351	13.95	1,421	14.88
Total assets	9,687	100.00	9,548	100.00
Liabilities and Shareholders' Equity				
Shareholders' Funds	7,080	73.09	7,537	78.93
Redeemable Preference Shares	17	0.17	18	0.19
Long term borrowings	22	0.22	24	0.25
Short term borrowings	32	0.33	19	0.20
Other current liabilities	2,192	22.64	1,577	16.52
Other non-current liabilities	223	2.30	252	2.64
Minority Interest	121	1.25	121	1.27
Total Liabilities	9,687	100.00	9,548	100.00

Currency mix and average realized rates in INR

Currency	Average rates		% of Revenue	
	Q1 FY14	Q4 FY13	Q1 FY14	Q4 FY13
USD	56.84	54.06	58.53%	57.70%
GBP	87.01	83.33	14.78%	14.53%
EUR	74.16	70.90	7.47%	7.00%
Others			19.22%	20.77%
			100.00%	100.00%



Thank You

IT Services
Business Solutions
Outsourcing