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**IFRS & Ind AS ₹**

## Broad-based growth, execution discipline drive strong performance

### **Revenue at ₹29,305 crore up 3.0 % Q-o-Q; up 14.2 % Y-o-Y**

- Volume growth at 3.4%
- Net Income at ₹ 6,317 crore (0.4%) Q-o-Q & 9.9% Y-o-Y\*
- Attrition rate falls for 3<sup>rd</sup> consecutive Quarter to 13.6% LTM (incl. BPS)
- Digital revenues at 15.9% in Q1 driven by demand for business agility

**MUMBAI, July 14, 2016:** Tata Consultancy Services (BSE: 532540, NSE: TCS), the leading IT services, consulting and business solutions firm reported its consolidated financial results according to IFRS and Ind AS as on June 30, 2016.

#### **Financial Highlights for Quarter Ended June 30, 2016**

- Operating Income at ₹ 7,347 crore; Growth of 8.9% Y-o-Y and (0.9) % Q-o-Q
- Operating Margin at 25.1 %
- Total Dividend per share of ₹ 6.50; Earnings Per Share at ₹ 32.06  
Proposed record date 26/07/16; Payment date 02/08/16

#### **Business Highlights for Quarter Ended June 30, 2016**

- Total employees: 362, 079; Gross addition: 17,792 employees
- Six clients added in \$20M+ band; Four clients added in \$50M+ bands

**Commenting on the Q1 performance, CEO and MD, N Chandrasekaran said:** “Strong execution and accelerating customer adoption of Cloud, Big Data & Analytics has driven broad-based growth across key markets and industries. Our investments in platforms are gaining significant traction as customers look to boost business agility and enhance their time-to-market advantage to gain a competitive edge.”

**Mr Chandrasekaran added:** “Our rising employee retention rates for three consecutive quarters reflects our focus on engagement and investments we have made to build strong digital talent base. This is paying off with over 165,000 TCSers now trained with significant expertise in new Digital technologies that are rooted in specific domains.”

**Rajesh Gopinathan, Chief Financial Officer, said:** “This has been a quarter of good financial performance balancing revenue growth, profitability and cash generation. Our disciplined approach to operations have helped us counter strong headwinds in the form of annual salary hikes and promotions as well as global currency and market volatility through the quarter. We continue to invest in people, platforms and products as we look to strengthen our competitive position across key markets.”

\* YOY Growth IFRS : 10.7% & Ind AS:9.9%

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During Q1, TCS posted the incremental revenues of \$155 million – the highest in last seven quarters upto Q1 - driven by strong growth across core markets in North America, UK and Europe. India was the highlight among growth markets.

Adoption of Cloud, Big Data & Analytics is driving demand in Manufacturing, Energy & Utilities and Communications while front-office transformations are helping growth in Telecom and Media sectors. Consumer businesses like Retail, TTH and Life Sciences are also increasingly using analytics to create rich experiences for each customer and reimagine each unique customer's journey

**Select Key Wins in Q1**

- Selected as a strategic partner by a leading process manufacturing company in North America to bring agility to its IT environment leveraging ignio™, TCS' neural automation platform
- Partnering with a leading European semiconductor equipment manufacturer to enhance supplier experience as well as optimize development and support services
- Chosen by a leading UK-based bank to increase organisational responsiveness to risk, time-to-compliance and significantly improve employee experience by transforming key functions
- Chosen by global medical standards body to help reimagine learning and collaboration for doctors worldwide by deploying TCS iON Digital Learning Platform through the medical career cycle.
- Chosen by a leading Asian airline to bring agility and hyper-connectivity by operating on the Cloud
- Selected by a leading North American Luxury Retailer as the strategic partner to deliver rich customer experience across channels as well as drive automation and predictability using ignio™
- Partnering with a North American multi-brand retailer to rapidly expand its global footprint and drive synergies by simplifying the client's IT landscape and create a platform to enable future business growth
- Chosen by a leading North American biopharmaceutical firm as a partner to help improve throughput of their new molecule pipeline and improve regulatory compliance.
- TCS BaNCS™ clearing platform chosen by a leading Latin American financial institution to launch clearing and settlement services in one of the biggest markets in the region

**Key Wins in Digital Services and Solutions in Q1:**

- Chosen by a leading global financial services firm to provide its customers with superior onboarding experience across its various products
- Engaged by a leading Asian Insurance company for real-time analytics on enterprise performance data using TCS dreamUP™
- Engaged by a major North American telecommunications provider to re-architect their IoT platform using API and Big Data technologies
- Chosen by a North American healthcare provider to enhance agility through DevOps methodology using Cloud technologies
- Chosen as a strategic partner by a leading maker of energy equipment to significantly optimise chiller systems using an IoT platform and TCS Sensor Data Analytics framework
- Engaged by a North American biopharmaceutical company to provide real time performance analytics using Big Data technologies
- Chosen by a UK based supermarket chain to create the Cloud-based roadmap, operating model and architecture using DevOps
- Chosen by a North American Healthcare Service provider for a consulting engagement to provide cloud readiness assessment using TCS proprietary methodology and migrate their consumer data onto Cloud.

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- Selected by a Latin American private bank to provide its customers with superior unified experience across multiple channels

### **Innovation and Intellectual Property:**

As of June 30, 2016, the company has applied for **2928** patents, including **67** applied during the quarter. Till date the company has been granted **385** patents.

### **Human Resources:**

The total employee strength at the end of Q1 was 362,079 on consolidated basis with gross addition of 17,792 (net addition: 8,236 employees). The total attrition rate (LTM) fell to 13.6% including BPS. The percentage of women in TCS rose to an all-time high of 33.8% while the number of nationalities increased to 131.

“We are delighted that for the third quarter in a row, our attrition rates have fallen underscoring our ability to engage with employees and provide long-term careers. We remain focused on building a team of global professionals with diversity and multiple skill-sets and helping TCSers secure additional skills in new technologies. The process of on-boarding this year’s campus trainees has also begun.” said **Ajoy Mukherjee, Executive vice president and Global Head, Human Resources.**

### **Awards and Recognition:**

#### **Business Leadership:**

- North American Employee Engagement Awards 2016: Employee Engagement Project of the Year; Social Responsibility Project of the Year
- Etihad Airlines: Best Services by IT Supplier
- Lumity 2016 Leadership Award: For sustained commitment to engaging skills-based volunteers to inspire students in STEM education, technology resources and social investments
- '50 Most Engaged Workplaces in North America: Achievers Award 4th consecutive Year for benchmarked employee engagement, global internal social networking hub and extensive CSR initiative
- Three Most Admired Knowledge Enterprise (MAKE) Awards
- BM Munjal Awards 2016: Business Excellence through Learning & Development
- ATD Excellence in Practice Award: Categories: Managing the Learning Function; Organizational Learning and Development
- Data News Award for Excellence (Belgium): Outsourcing Services Award for Excellence

#### **Partner:**

- NXP: Best Supplier award
- EMC: EMEA Alliances Growth Partner of the Year
- Run SAP®: Partner of the Year - Pinnacle Award
- Juniper: Emerging Alliance Partner of the Year 2016

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## IFRS Financial Statements

**Unaudited Condensed Consolidated Statements of Comprehensive Income**  
For the three-month periods ended June 30, 2015, March 31, 2016 and June 30, 2016  
(In millions of ₹, except per share data)

|                             | Three-month period end June 30, 2015 | Three-month period ended March 31, 2016 | Three-month period ended June 30, 2016 |
|-----------------------------|--------------------------------------|---|--|
| Revenue                     | 256,681                              | 284,486                                 | 293,050                                |
| Cost of revenue             | 144,679                              | 160,622                                 | 168,020                                |
| Gross margin                | 112,002                              | 123,864                                 | 125,030                                |
| SG & A expenses             | 44,518                               | 49,745                                  | 51,560                                 |
| Operating income            | 67,484                               | 74,119                                  | 73,470                                 |
| Other income (expense), net | 7,711                                | 9,051                                   | 9,630                                  |
| Income before income taxes  | 75,195                               | 83,170                                  | 83,100                                 |
| Income taxes                | 17,468                               | 19,702                                  | 19,920                                 |
| Income after income taxes   | 57,727                               | 63,468                                  | 63,180                                 |
| Minority interest           | 638                                  | 56                                      | 10                                     |
| Net income                  | 57,089                               | 63,412                                  | 63,170                                 |
| Earnings per share in ₹     | 29.15                                | 32.18                                   | 32.06                                  |

**Unaudited Condensed Consolidated Statements of Financial Position**  
As of March 31, 2016 and June 30, 2016  
(In millions of ₹)

|   | As of March 31, 2016 | As of June 30, 2016 |
|---|----------------------|---------------------|
| <b>Assets</b>                               |                      |                     |
| Property and equipment                      | 117,900              | 118,620             |
| Intangible assets and Goodwill              | 39,460               | 39,310              |
| Accounts Receivable                         | 240,730              | 247,410             |
| Unbilled Revenues                           | 39,920               | 43,850              |
| Investments                                 | 228,220              | 245,710             |
| Cash and Cash equivalents                   | 62,950               | 28,420              |
| Other current assets                        | 63,740               | 96,420              |
| Other non-current assets                    | 119,200              | 98,150              |
| <b>Total Assets</b>                         | <b>912,120</b>       | <b>917,890</b>      |
| <b>Liabilities and Shareholders' Equity</b> |                      |                     |
| Shareholders' Funds                         | 731,890              | 732,830             |
| Long term borrowings                        | 830                  | 630                 |
| Short term borrowings                       | 1,620                | 490                 |
| Other current liabilities                   | 154,070              | 159,640             |
| Other non-current liabilities               | 20,170               | 20,850              |
| Minority Interest                           | 3,540                | 3,450               |
| <b>Total Liabilities</b>                    | <b>912,120</b>       | <b>917,890</b>      |

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## Ind AS Financial Statements

**Consolidated Statement of Profit and Loss**  
For the Quarter ended June 30, 2015, March 31, 2016 and June 30, 2016  
(In crores of ₹, except per share data)

|  | Quarter ended<br>June 30, 2015 | Quarter ended<br>March 31, 2016 | Quarter ended<br>June 30, 2016 |
|--|--------------------------------|---------------------------------|--------------------------------|
| <b>INCOME</b>  | <b>25,668</b>                  | <b>28,449</b>                   | <b>29,305</b>                  |
| <b>EXPENDITURE</b>                                       |                                |                                 |                                |
| a) Employee costs  | 13,291                         | 14,423                          | 15,374                         |
| b) Other operating expenses                              | 5,176                          | 6,119                           | 6,094                          |
| c) Depreciation  | 453                            | 495                             | 490                            |
| <b>Total Expenditure</b>                                 | <b>18,920</b>                  | <b>21,037</b>                   | <b>21,958</b>                  |
| <b>Profit Before Taxes &amp; Other Income</b>            | <b>6,748</b>                   | <b>7,412</b>                    | <b>7,347</b>                   |
| Other income (expense), net                              | 772                            | 905                             | 963                            |
| <b>Profit Before Taxes</b>                               | <b>7,520</b>                   | <b>8,317</b>                    | <b>8,310</b>                   |
| Provision For Taxes                                      | 1,747                          | 1,970                           | 1,992                          |
| <b>Profit After Taxes &amp; Before Minority Interest</b> | <b>5,773</b>                   | <b>6,347</b>                    | <b>6,318</b>                   |
| Minority Interest  | 26                             | 6                               | 1                              |
| <b>Net Profit</b>  | <b>5,747</b>                   | <b>6,341</b>                    | <b>6,317</b>                   |
| <b>Earnings per share in ₹</b>                           | <b>29.17</b>                   | <b>32.18</b>                    | <b>32.06</b>                   |

**Consolidated Balance Sheet**  
As at March 31, 2016 and June 30, 2016  
(In crores of ₹)

|  | As at March 31, 2016 | As at June 30, 2016 |
|--|----------------------|---------------------|
| <b>ASSETS</b>                          |                      |                     |
| Property, plant and equipment          | 11,775               | 11,821              |
| Investments                            | 22,822               | 24,571              |
| Deferred Tax Assets (net)              | 2,908                | 2,882               |
| Goodwill (on consolidation)            | 1,669                | 1,684               |
| Cash and Bank Balance                  | 6,788                | 2,899               |
| Current Assets, Loans and Advances     | 33,946               | 38,713              |
| Non-current Assets, Loans and Advances | 9,188                | 7,107               |
| <b>Total Assets</b>                    | <b>89,096</b>        | <b>89,677</b>       |
| <b>EQUITY AND LIABILITIES</b>          |                      |                     |
| Shareholders' Funds                    | 71,072               | 71,169              |
| Minority Interest                      | 355                  | 347                 |
| Short term and long term borrowings    | 196                  | 69                  |
| Deferred Tax Liabilities (net)         | 805                  | 898                 |
| Current liabilities and provisions     | 15,456               | 16,007              |
| Non-current liabilities and provisions | 1,212                | 1,187               |
| <b>Total Liabilities</b>               | <b>89,096</b>        | <b>89,677</b>       |

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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 362,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US \$16.5 billion for year ended March 31, 2016 and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India. For more information, visit us at [www.tcs.com](http://www.tcs.com)

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**For more information please contact:**

|   |  |
|---|--|
| <b>Media:</b> +91 22 6778 9999  | <b>Investor Relations:</b> 91 22 6778 9999                       |
| <a href="mailto:Pradipta.bagchi@tcs.com">Pradipta.bagchi@tcs.com</a> / <a href="mailto:h.ramachandra@tcs.com">h.ramachandra@tcs.com</a><br><a href="mailto:shamala.p@tcs.com">shamala.p@tcs.com</a> | <a href="mailto:Kedar.shirali@tcs.com">Kedar.shirali@tcs.com</a> |