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IGAAP ₹

Robust volumes and core markets drive broad-based growth in Q1

Strong Uptick seen in 'Digital' engagements across key verticals

Revenue at ₹25,668 crore up 6.0 % Q-o-Q; up 16.1 % Y-o-Y

- Volume growth at 4.8%
- Net Profit at ₹ 5,684 crore up 53.1% Q-o-Q & 2.1% Y-o-Y
- Train 100,000 'Digital' professionals in FY16
- Launched Ignio™ – the World's first neural automation system for enterprises

MUMBAI, July 9, 2015: 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 June 30, 2015.

- Operating Income at ₹ 6,724 crore; Growth of 13.3% Y-o-Y and 76.5% Q-o-Q
- Operating Margin at 26.2 %
- Total Dividend per share of ₹ 5.50
- Earnings Per Share at ₹ 29.02

Business Highlights for Quarter Ended June 30, 2015

- Gross addition of 20,302 associates
- Total employees: 324,935
- Utilization at 86.3% (excluding trainees)
- Ten clients added in $20M+ band; One additional client each in $50M+ and $100M+ bands

Commenting on the Q1 performance, CEO and MD, N Chandrasekaran said: "Demand from our core markets like North America and greater traction for 'Digital' solutions in key verticals like Financial Services, Retail and Life-Sciences has driven volumes and growth in Q1. Our significant investments in IP and platforms, digital capabilities and our execution track record gives us a firm foundation to capture growth in the current financial year."

Mr Chandrasekaran added: "Given the strong pipeline and market adoption of digital across industries, we are investing to train over 100,000 professionals this year in all relevant technologies."

Rajesh Gopinathan, Chief Financial Officer, said: "Our disciplined approach to all aspect of operations have helped maintain operating margins within our stated range despite hedging volatility and the impact of our annual cycle of salary hikes and promotions. We continue to focus on optimizing our cash conversion ratios and investing in people and technologies ahead of our business needs."

During Q1, TCS posted the incremental revenues of $136 million driven by strong growth across core markets led by North America, UK, Europe, MEA and Asia-Pacific. Growth among industry segments was led by Retail, Life Sciences, BFSI and Telecom. Asset-Leveraged solutions led the growth among service lines followed by Infrastructure, Assurance and BPS.

Select Key Wins

- Selected by a world leader in communications technology as the strategic and lead partner to deliver their Transformed IT landscape
- Selected by a leading European financial institution as their strategic partner to transform and manage their infrastructure systems through intelligent automation and analytics.
- Chosen as strategic partner by a leading Digital Solutions and Local Marketing company in North America and UK for a multi-year program to rationalize and transform its global digital and print operations
- One of the major banks in the Indian sub-continent selected TCS BaNCS Core Banking platform with digital channels for their banking operations
- A leading UK Retailer has expanded its relationship with TCS by consolidating all the Applications and Infrastructure Operations as well as Testing Services in order to drive simplification, business agility and digital transformation
- Selected by a North American luxury fashion company to provide remote infrastructure services to support global expansion, improve internal effectiveness, operational efficiency and standardization.
- Selected by a chemical manufacturing company as a strategic partner for multi-million, multi-year application support and transformation engagement involving multiple technology platforms
- Selected by a large European Bank as their strategic IT partner to deliver application development and maintenance services globally
- A Leading US Retailer leveraged TCS digital merchandising Suite- OptumeraTM to drive profitability by enabling customer focused merchandising transformation through store layout and product mix optimisation

Key Wins in Digital:

- Selected by a North American bank for the deployment of mobile-based event management systems using the TCS Event Maestro™ product
- Selected by a leading UK retailer to enable gap scan and stock adjustment using mobile technologies
- Selected by a leading European life sciences company to enable clinical test workflow documentation on mobile devices
- Chosen by a leading UK bank to provide consulting and technology services for their Big Data initiative.
- Selected by a leading European telecom company to develop a system to compute key performance indicators using Big Data technologies with the objective of driving customer satisfaction.
- Engaged by a North American manufacturing company to provide consulting services to define the Big Data roadmap and architecture for its telematics solution
- Chosen by a global life sciences major as the preferred partner to drive its Social Media Analytics initiative
- Chosen by a North American insurer to provide on-premise enterprise applications on the Cloud
- Chosen by a North American multinational chemicals company to define the Digital Marketing strategy for its agro sciences businesses in Asia Pacific countries
- Selected by a European airline to reimagine the customer experience for its loyalty program

- Selected by a North American hi-tech major to develop the system to process click stream data for real time campaign delivery

Ignio™
In June, TCS launched Ignio™, a neural automation platform for enterprises, to help customers reimagine their technology and business operations. With its unique value proposition, Ignio™ is receiving very good traction across the customer base:

- A financial institution in UK chose Ignio™ for blueprinting, administration, provisioning and performance management of its modern IT infrastructure in a "Service-as-Software" paradigm
- A large supermarket chain in UK is leveraging Ignio™ for effective & efficient management of their IT infrastructure
- A large global life insurance company is using Ignio™ to administer health checks on-demand, performance management and capacity management

TCS BaNCS™
- Two commercial banks in Asia Pacific selected TCS BaNCS™ core banking along with Digital Offerings for their banking operations
- Two banks selected TCS BaNCS™ Capital Markets product suite for their capital market operations

Cloud Platforms
- Thirty eight (38) new customers selected TCS Cloud Platform solutions to redefine their operations and drive business agility
- Eleven (11) new customers chose TCS Mastercraft™ products for process digitization and task automation to improve efficiency, quality and productivity in their IT programs

Digital Learning Platform
TCS has built and deployed a new Learning Platform to enable Digital training for 100,000 employees in this financial year. Immersive content has been created covering the entire gamut of Digital offerings. The new Digital Learning platform and allied infrastructure will enable 'anytime-anywhere' learning in a cloud environment

Innovation and Intellectual Property:
As of June 30, 2015, the company has applied for **2359** patents, including **66** applied during the quarter. Till date the company has been granted **231** patents.

Human Resources:
The total employee strength at the end of Q1 was 324,935 on a consolidated basis with gross addition of 20,302 associates (net addition: 5,279 employees). The utilization rate (excluding trainees) was at an high of 86.3% and that including trainees was 82.9%. The attrition rate (LTM) was seasonally higher at 15.9% including BPS. The percentage of women in TCS rose to an all-time high of 33.5% while the number of nationalities increased to 124.

"Our focus remains on making TCSers proficient in new technologies, giving them the tools to be more productive and building an engaged and diverse team of global professionals. This continues to yield results with our utilization rates being maintained at well over 85 per cent. 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:

- American Business Awards 2015
    - Gold Stevie for Human Resource Executive of the Year
    - Two Silver Stevies for Corporate Social Responsibility Program and HR Department of the year
    - Bronze Stevie award for the HR team of the year
- Ranked 57 among Top 100 US Brands by Brand Finance
- Dun & Bradstreet Corporate Award 2015
- Certified top employer of Latin America 2015 by Top Employers Institute
- Golden Peacock National Training Award 2015
- TCS China received awards at Global CEO Innovation Summit 2015
    - TCS China President recognised as "Innovative CEO of the Year"
    - TCS China University program received "Best Achievement Award"
- TCS' Passport Seva Project was awarded Triple ISO Certification

Partner:

- 2015 SAP® Pinnacle award
- Red Hat's 'System Integrator Partner of the Year' for North America
- Hitachi Data System's Global System Integrator Partner of the Year 2015 award

Consolidated Statement of Profit and Loss

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For the Quarter ended June 30, 2014, March 31, 2015 and June 30, 2015
(In crores of ₹, except per share data)

	Quarter ended June 30, 2014	Quarter ended March 31, 2015	Quarter ended June 30, 2015
INCOME	**22,111**	**24,220**	**25,668**
EXPENDITURE			
a) Salaries & Wages	8,532	11,777	9,976
b) Overseas business expenditure	3,283	3,340	3,579
c) Other operating expenses	3,943	4,822	4,918
Total Expenditure	**15,758**	**19,939**	**18,473**
Profit Before Interest, Depreciation, Taxes & Other Income	**6,353**	**4,281**	**7,195**
Interest	9	11	4
Depreciation	417	470	471
Profit Before Taxes & Other Income	**5,927**	**3,800**	**6,720**
Other income (expense), net	787	1,136	740
Profit Before Taxes & Exceptional Items	**6,714**	**4,936**	**7,460**
Exceptional items	490	0	0
Profit Before Taxes	**7,204**	**4,936**	**7,460**
Provision For Taxes	1,599	1,181	1,719
Profit After Taxes & Before Minority Interest	**5,605**	**3,755**	**5,741**
Minority Interest	37	42	57
Net Profit	**5,568**	**3,713**	**5,684**
Earnings per share in ₹	28.42	18.95	29.02

Consolidated Balance Sheet
As at March 31, 2015 and June 30, 2015
(In crores of ₹)

	As at March 31, 2015	As at June 30, 2015
EQUITY AND LIABILITIES		
Shareholders' Funds	50,634	55,024
Minority Interest	1,128	1,143
Short term and long term borrowings	300	338
Deferred Tax Liabilities (net)	343	340
Current liabilities and provisions	20,133	20,148
Non-current liabilities and provisions	1,123	1,149
Total Liabilities	**73,661**	**78,142**
ASSETS		
Fixed Assets (net)	12,311	12,348
Investments	1,662	6,097
Deferred Tax Assets (net)	594	653
Goodwill (on consolidation)	2,093	2,151
Cash and Bank Balance	18,556	17,580
Current Assets, Loans and Advances	28,765	30,130
Non-current Assets, Loans and Advances	9,680	9,183
Total Assets	**73,661**	**78,142**

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™, recognised as the benchmark of excellence in software development. A part of the Tata group, India's largest industrial conglomerate, TCS has over 324,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US $15.5 billion for year ended March 31, 2015 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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