



TATA CONSULTANCY SERVICES

Corporate Sustainability Report
2008-09







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INTRODUCTION

Our Approach To Sustainability

In keeping with the rich
Tata tradition of giving
back to Society,
Corporate Sustainability
(CS) lies at the heart of
TCS' corporate culture.
This Corporate
Sustainability Report
from Tata Consultancy
Services Limited (TCS)
summarizes TCS'
initiatives for the
betterment of society,
communities, and the
environment.

TCS' Policy on Corporate Sustainability

The Tata Group describes Corporate Sustainability as:

"Corporate Sustainability (CS) is integral to value-creation in our businesses through the enhancement of human, natural and social capital complementing their financial growth in order to give the enterprise an enduring future and also help create and serve a larger purpose, at all times. It facilitates accountability to all stakeholders as a systemic practice" - TATA Council for Community Initiatives, (TCCI)

Tata Consultancy Services' (TCS) commitment to Corporate Sustainability (CS) stems from the Tata Group's abiding concern for society and environment, which is captured in the words of the Founder Jamsetji Tata: "In a free enterprise, the community is not just another stakeholder in our business, but it is in fact, the very purpose of its existence."

TCS believes that corporate sustainability in the Marketplace, Workplace, Community and Environment is central to its business. Accordingly TCS has identified 5 pillars for CS across the globe. These are

- Marketplace
 - Ethical Global Sourcing
- Workplace
 - Diversity
- Community
 - Health
 - Education
- Environment

The differentiator in TCS is volunteering through "Maitree" (TCS family sharing and caring for its communities), while TCS endeavors to address large scale societal problems through business skills and IT core competence.



TCS is in the business of providing consultancy and professional services in Information Technology (IT), which by its nature of operation has a comparatively limited impact on the environment. However, as a responsible corporate citizen, TCS is and shall remain committed to continually enhancing performance through appropriate strategic action plans toward environmental protection and community improvement. TCS supports various voluntary national and international protocols, conventions, initiatives, commitments, and strives to extend all possible support to future ones.

A high level cross functional team consisting of 20 members at the organization level was set up to create this report. As the Annual Report has financial information as well as management discussion and business analysis, we have tried to ensure that this report has minimal replication of that information. TCS' Annual Report 2008-09 is available under the Investors section on the TCS website - <http://www.tcs.com>

This report focuses on significant economic, environmental and social factors that impact the way TCS does business, including our relationships with key stakeholders. The Global Reporting Initiative (GRI) guidelines are used to illustrate TCS' progress and performance in CS activities. Our assessment is that this report is in accordance with GRI application level A+.

This Report has been externally assured by KPMG Advisory Services.



Materiality of GRI Indicators

Categories of GRI Indicators	Economic	Environment	Labour Practices	Human Rights	Society	Product Responsibility
Key Stakeholders						
 Customers	EC1-2	EN26				PR1-5, PR8
 Employees	EC1-2, EC-3, Ec5, EC7	EN29	LA1-14	HR3-6, HR-8-9	S03-4	
 Supplier/Vendor Partner	EC1-2, EC6	EN26	La9	HR2-3 HR6, HR8		
 Govt./NGOs/Trade Associations/Academia	EC1, Ec4	EN28			S05-8	PR9
 Society/Environment	EC2, EC7-9	EN1-30	LA11, L12-13	HR4, HR6-8, HR9	S01-8	PR6-7
 Shareholders	EC1-2	EN30		HR1		
 Financial Institutions	EC1-2	EN30		HR1		
 Tata Group		EN30		HR1		

Scope of the Report

TCS' third sustainability report covers the status for the financial year April 08 – March 09. Almost all the data shared in this report is for TCS' global operations.

We have attempted to account for the most material economic, environment and social impact through this report. The source of the data represented in the report is internal and cross functional. In the Environment section, the data pertains to our Indian operations. We have sourced data from Ultimatix, our intranet, which runs all internal processes, including HR, finance and project management at the core; employee self-service functions at the second layer; and management dashboards. All the data is audited by the third party auditors for ISO and financial audits.

Report Application Levels

		2002						
		In Accordance	C	C+	B	B+	A	A+
Optional	Self Declared							
	Third Party Checked			Report Externally Assured		Report Externally Assured		
	GRI Checked							

From the CEO's Desk



Today Tata Consultancy Services (TCS) is globally recognized for the capabilities of its people and the quality of its services. It is also acknowledged as an IT 'partner of choice' by major global corporations.

Even as the world emerges slowly from the economic downturn, the global technology market holds tremendous potential for TCS. We have a strong, stable customer base, 'full-services' offerings, multi-domain capabilities, a presence in several emerging markets and a Global Network Delivery Model to deliver value to our customers. TCS' growth story is one of business growth with profitability, while maintaining a fundamental respect for our fair and ethical governance model.

Our traditionally strong presence in major western markets has enabled us to leverage opportunities that emerge as these economies begin the process of recovery. Our growing presence and scale in New-growth markets in the Asia-Pacific, Latin America and in Middle East and Africa is helping drive a growth momentum across the enterprise.

On its own initiative, TCS created a digitized delivery system for the NREGA (National Rural Employment Guarantee Act) program and has built MKrishi, a mobile-based, agri-advisory service for farmers.

TCS has always subscribed to the fundamental premises of ethics, good governance and respect for the individual. Corporate Sustainability is an evolving corporate management paradigm. It places a much greater emphasis on social, environmental and economic development, and the accountability & transparency in the processes.

Corporate Sustainability and our positive impact on society is at the heart of our business. As a measure of this, we achieved the Gold standard in the overarching Corporate Responsibility Index run by 'Business in the Community' internationally.

TCS' vast pool of human capital too is helping chart the Company's future progress not only in terms of its business growth, but also by its impact on the community. TCS employees contributed over 50,000 hours of volunteering effort during the past year.

Our focus on using our core competency, volunteering, and whole family engagement in societal initiatives, makes TCS a great place to

work, resulting in employee motivation and one of the lowest attrition rates across our industry.

Another value that has been fostered within TCS, is its non-hierarchical and open culture, where people and ideas have freedom to interact. This is a vital prerequisite for the collaboration and innovation that we seek, now and for the future. A work environment that helps bring out the best in people and promotes their professional growth is something that must be nurtured.

We go beyond geographical borders with action to address the Millennium Development goals. Our Adult Literacy Programme has enabled over 140,000 challenged adults to read. Two other examples are our mKrishi programme which uses technology to help farmers make more informed decisions, leading to better crop yields and prices to market, and also our mHealth programme to address inequalities of health.

TCS has also worked at integrating the objectives of sustainability into its business operations. Indeed, in all our new facilities and campuses, we are ensuring eco-friendliness, through using local materials, harvesting rain water and increasing the use of technology to reduce energy consumption, and use more natural light, ventilation and natural products.

In summary, TCS continues to place a strong emphasis on societal needs and in recent years we have addressed environmental and climate change issues with increased significance. As we have expanded our global presence, we have matched our business growth with addressing societal needs wherever in the world we may operate. In each country we have developed community engagement programmes appropriate to local needs. Whilst the community focus may differ, our consistent approach and priority, spanning all geographies, is to improve the global environment in which we do business, and to care for our workforce through our TCS Maitree organization which supports employees and their families in their contributions to society.



N Chandrasekaran
Chief Executive Officer and Managing Director

TCS has also taken several measures to reduce its carbon footprint. TCS' Green agenda is being driven across the company.

We now have 36 TCS centres in India with ISO 14001 certification and, we actively promote Green IT. TCS has created green buildings at its facilities in Siruseri(Chennai), Bhubaneswar and Trivandrum. The increased environmental consciousness across the organization has resulted in a reduction in air travel within the company, an 8% drop in electricity consumption, and lower paper and printer cartridge utilization.

We are also proud to have been awarded the Golden Peacock Environment Management Award from the World Environment Foundation for our efforts and successes in this area.



TCS Profile

Tata Consultancy Services Limited is an IT services, business solutions and outsourcing organization that delivers real results to global businesses, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled services delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development.

With over 140,000 of the world's best trained IT consultants located across the world, TCS is uniquely positioned to deliver its flexible world class services seamlessly to any location. TCS reported consolidated revenues of USD 6.01 billion in the fiscal year 2008-09. TCS has achieved the vision of being counted amongst the top 10 IT service companies in the world today.

TCS is the world's first organization to achieve an enterprise-wide Maturity Level 5 on CMMi® and P-CMM® based on SCAMPISM, the most rigorous assessment methodology. Strategic acquisitions also started playing a role to position TCS for future growth, thus by adding CMC we have expand our presence in the domestic market and joint ventures in the BPO space acquired by TCS.

TCS continues to be recognized for its excellent Human Resource (HR) practices. TCS has once again received the top ranking in HR in Data Quest-IDC's Best Employer Award and has been ranked No. 2 as a Dream Company.

TCS' innovation Mobile Agro Advisory solution "mKrishi" won the Wall Street Journal Innovation Technology Award for 2008 in the wireless category and the Golden Peacock Innovation Award. US-based publication Infoworld ranked TCS' Global Certainty Idea Storm in its list of Top 100. Mkrishi contributes to achieving the Millennium Development Goals.

A complete list of TCS' 57 subsidiaries, 116 alliances and 3 associate companies can be found in TCS' Annual Report 08-09.



TCS' Global Footprint

TCS is investing in developing and optimizing its global presence, to pursue opportunities in global markets on an ongoing basis and has 140 offices in 42 countries, as well as 101 solution centres in 18 countries.

TCS has 8 near-shore solution centres in 7 countries and 93 global solution centres in 27 locations in 10 countries.

North America and Canada

Offices: 18
Locations: 17
Countries: 2

Ibero America

Offices: 12
Locations: 12
Countries: 7

United Kingdom and Ireland

Offices: 9
Locations: 8
Countries: 2

Europe

Offices: 22
Locations: 22
Countries: 12

Asia Pacific

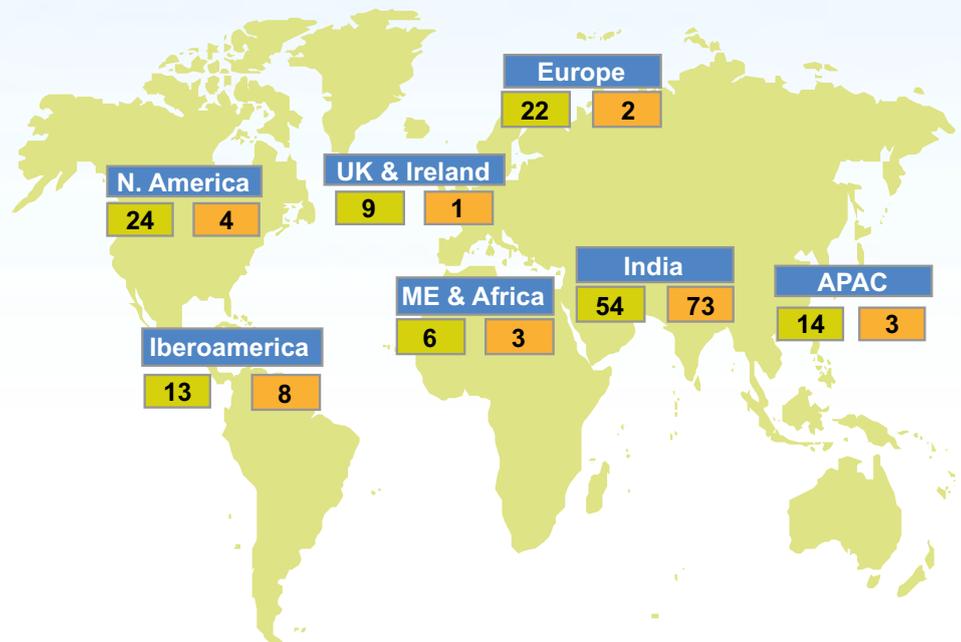
Offices: 18
Locations: 18
Countries: 12

Middle East and Africa

Offices: 7
Locations: 7
Countries: 6

India

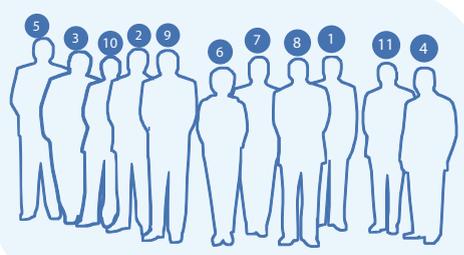
Country: 1
Offices: 54
Locations: 13



As on 31st March 2009

142 Offices in 42 countries

94 Solution Centres in 17 countries



Corporate Governance

Board of Directors

1. R N Tata
Chairman

2. Aman Mehta
Independent Director

3. Naresh Chandra
Independent Director

4. V Thyagarajan
Independent Director

5. Prof. Clayton M Christensen
Independent Director

6. Laura M Cha
Independent Director

7. Dr. Ron Sommer
Independent Director

8. S Ramadorai
Vice Chairman

9. N Chandrasekaran
Chief Executive Officer and Managing Director

10. S Mahalingam
Chief Financial Officer and Executive Director

11. Phiroz Vandrevala
Executive Director and Head, Global Corporate Affairs

As on March 31, 2009, TCS had 11 Directors with a Non-Executive Chairman. Of the 11 Directors, 7 (63.63%) are Non-Executive Directors and 6 (54.54%) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all the companies in which the individual is a Director.

TCS Leadership Team

S Ramadorai

Vice Chairman

N Chandrasekaran

Chief Executive Officer and
Managing Director

S Mahalingam

Chief Financial Officer and
Executive Director

Phiroz Vandrevala

Executive Director and Head,
Global Corporate Affairs

Ajoyendra Mukherjee

VP and Head, Global Human Resources





TCS' Philosophy on Corporate Governance

TCS' Corporate Governance structure consists of a Board of Directors, a Senior Leadership team and a number of Committees.

As a part of the Tata Group, TCS has a strong legacy of fair, transparent and ethical governance practices. TCS' corporate governance philosophy has been further strengthened through the Tata Business Excellence Model (TBEM), the Tata Code of Conduct (TCoC) for Prevention of Insider Trading, as also the Code of Corporate Disclosure Practices.

TCS is governed by the below well structured Committees of the Board:

Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

Remuneration Committee

The Company has constituted a Remuneration Committee of three Directors. Remuneration for the Board of Directors is based on their contribution to the Company at Board meetings and for their contribution to the Company on operational matters. Compensation is also related to the overall performance of TCS, which includes corporate sustainability aspects. Compensation of the CEO is related to the performance of the company as well as his individual performance.

A Director is inducted into the Board with the concurrence of the existing Directors after a review of the person's attributes on economic, environment, and social issues. The Directors also examine how the incumbent can contribute to TCS' strategy in general.

Shareholders/Investors Grievance Committee

The Company has constituted a Shareholders/Investors Grievance Committee of Directors to look into the redressal of complaints of investors.

Other Committees

(i) Ethics and Compliance Committee: In terms of the Company's Code of Conduct for Prevention of Insider Trading and Code of

Corporate Disclosure Practices (Insider Trading Code) to be followed by the directors, officers and other employees, the Company has constituted a committee called Ethics and Compliance Committee. The Committee considers matters relating to the Insider Trading Code and also considers matters relating to the Company's Code of Conduct (CoC).

(ii) Committee of Directors for Bank Accounts: To approve the opening and closing of bank accounts of the Company and to authorize persons to operate the bank accounts of the Company

(iii) Nominations Committee: For making recommendations regarding the composition of the Board and in this regard shall identify Independent Directors to be inducted to the Board and take steps to refresh the composition of the Board from time to time.

(iv) Executive Committee: For detailed review of the Business and strategy review; Long-term financial projections and cash flows; Capital and revenue budgets and capital expenditure programmes; Acquisitions, divestments and business restructuring proposals; Senior management succession planning; Any other item as may be decided by the Board.

With the adoption of a whistle-blower policy and the setting up of a Nominations Committee and an Executive Committee of the Board, TCS has moved further in its pursuit of excellence in corporate governance.

Exhibit 1.1: Corporate Governance in TCS



Governance Procedures and Ethics Committees and Counsellors

TCS has a Code of Conduct for employees including the whole-time Directors and the Managing Director. In addition, TCS has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website www.tcs.com

The Ethics and Compliance Committee receives a monthly report on compliance with the above codes.

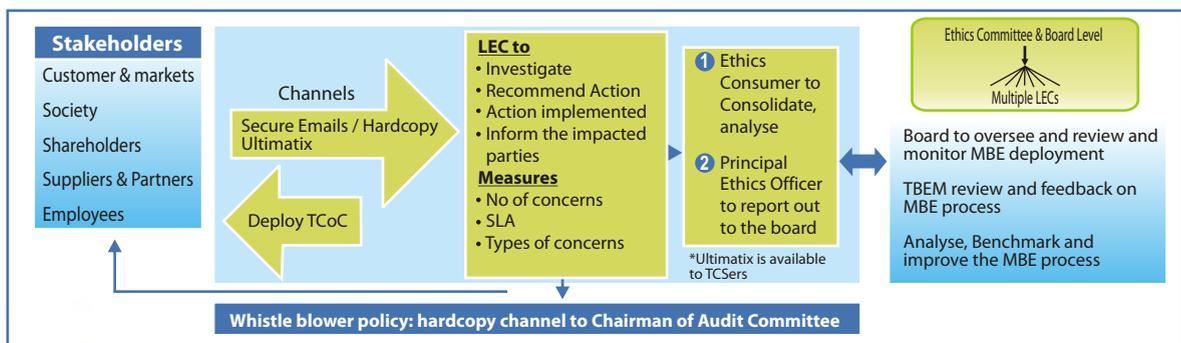
The Tata Code of Conduct (TCoC)

TCS has established procedures to deploy the TCoC and to enable employees, customers, suppliers and partners to understand the code and follow it in letter and spirit. The leadership team personally conveys TCS' values and the importance of the TCoC at employee events. Customers and suppliers are made aware of the TCoC through specific clauses in proposals, contracts, contract discussions, and through the TCS website.

At the corporate level, a senior executive at the Vice President level is designated as Ethics Counselor to foster responsible business conduct. The Ethics Counselor is supported by two senior administrators to manage Business Ethics issues at the corporate level and by Local Ethics Counselors (LECs) at each company location. The LECs and the corporate ethics team take appropriate actions to address concerns raised and report on training and deployment of the TCoC across the organization. Policies related to the TCoC are reviewed from time to time and changes if any are communicated appropriately across the Company.

For FY2008-09, there were no concerns about financial dealings as all critical large payments are governed by well-defined workflows. A dedicated, independent iSecurity team deals with misuse of email or IT systems in conjunction with Human Resources. TCS is the first Tata Company to have a global policy to address Sexual Harassment at the work place.

Exhibit 1.2: TCS – MBE Process



Key Impacts, Risks and Opportunities

In keeping with TCS' responsibilities and business challenges across the globe, the Corporate Risk Office, reporting to the Chief Financial Officer, guides the functions and helps both, strategy development and strategy deployment to regularly identify risks and possible issues that would impact the business.

A Risk Management manual is in place which covers the various risks faced by TCS and the processes for evaluating and addressing them. The Board of Directors regularly reviews the risk management practices of the Company. We also have a dedicated compliance and Global Legal Department to ensure legal compliance. The Unit heads, in consultation with legal, are responsible for ensuring legal and regulatory compliance. Well-defined processes exist for complying with and surpassing legal and regulatory requirements and managing risks across global operations.

TCS has an Enterprise Risk Management (ERM) approach to identify risks and adopt mitigation plans that align with our business objectives. Our ERM approach is based on the Committee of Sponsoring Organizations (COSO) of Treadway Commission recommendations

The ERM approach covers risks on account of internal and external factors that impact business objectives:

- Economic scenario across the globe and in key economies
- Monetary and foreign exchange scenarios across countries
- Labor and legislative scenario across countries
- Legal compliance
- Impact of competitor moves, customer concerns, technology scenario and shifts
- External market
- Infrastructure
- People and professionals
- Business continuity

The ERM process is overseen by the functional and geographical leadership, Audit committee of the Board, and the Board of Directors.

Public concerns: To anticipate public concerns at the international and national levels, TCS leaders participate actively in forums such as NASSCOM, IEEE, ASQ, ISACA and ACM, which research and provide updates on legal, regulatory and educational issues across the world. TCS also ties up with renowned universities that are global trendsetters in this area.

Political Party Participation: TCS strictly adheres to the policy of non-alignment with any political party as laid down in the Tata Code of Conduct. There have been no corporate contributions to political parties, politicians and related institutions globally.

Resource sustenance: TCS has created a dedicated cell which looks after environment, health and safety related matters in the organization. We have defined and documented policy and procedures framework like the Environment Management System Manual, Green Procurement Policy, Food Safety Guidelines for canteen and Incident/Injury/Illness Investigation and Reporting manual, which guide us on such matters.

TCS' Approach to Major Risks and Concerns

Major Risks and Concerns Identified	Key Impact on TCS' Business	TCS approach to counter risk
Global economic environment	Economic slowdown in the USA, which accounts for 50% of our business, may have a varying degree of impact on other economies as well. This has led to rise in Market-related business risks and Credit risks with clients in some countries	<ul style="list-style-type: none"> • Diversification across geographies • Diversification of Product and services offerings • Focusing on enlarging global presence by strengthening the global development centres
Currency fluctuation-related risks	Fluctuations in the rupee to dollar parity and consequent exchange rates with major currencies has had significant impact on IT industry revenues as also profitability as valued at accounts closing periods. While 2008 saw the appreciation of rupee as a major faux pas for TCS as also the rest of Indian IT fraternity, 2009 has while reversing this trend however brought about visible parity issues for the USA dollar vis-vis other OECD economies as also the risks due to the health of the leading Global banks that are authorised intermediaries in managing the hedging derivatives. These factors have introduced complexity into managing the impacts on revenues and profitability arising from currency fluctuations.	<ul style="list-style-type: none"> • Use of various types of foreign currency forward and options contracts to hedge the risks associated with fluctuations in currencies • Appropriate policies and processes for the use of financial derivative instruments consistent with our risk management strategy • Software products to monitor, manage and report the exposures on a daily basis
Commoditisation of offerings/value proposition	Increased competition from Indian and global IT players could result in pressure on pricing and commoditisation of low-end services	<ul style="list-style-type: none"> • Broadening the Company's service offerings and targeting increasingly complex deals • Investing in brand awareness promotion • Focusing on innovation initiatives for better productivity through continuous improvement in processes, systems, methodologies and capabilities
Gross margin deterioration risk	Increased competitive pressure in India for the pool of available talent has been driving employee costs higher. Heightened competition from global and Indian IT companies has been limiting the ability to increase billing rates	<ul style="list-style-type: none"> • Increasing the volume of value added services like Global Consulting that commands higher rates • Focusing on higher margin activities like increasing offshore leverage • Productivity improvement and better cost management on a continuous basis
Immigration and visa regulations related risks	Timely availability of requisite number of work visas for the US, the UK and Europe has always been a challenge for the Indian IT services companies	<ul style="list-style-type: none"> • Advanced visa planning • Timely enhancement of 'local recruitment' plans at global locations being pursued with rigour

contd...

Major Risks and Concerns Identified	Key Impact on TCS's Business	TCS approach to counter risk
Hiring and retention of employee related risks	Meeting the requirements of having qualified professionals, managing attrition as well as salary expectations is a significant challenge	<ul style="list-style-type: none"> Increasing the number of engineering educational institutions from which the Company recruits Our academic interface programme also includes training of college faculty and providing appropriate course material, to ensure that these educational institutions are able to maintain the requisite quality Recruiting Science graduates with the
Counterparty risk in treasury operations	As mandated by RBI, authorised institutions are the intermediaries or 'counterparty' for treasury operations. These institutions are mostly global MNC banks of repute. The global financial uncertainty as a result of the issues arising in credit markets increases the inherent risks of the hedging transactions that the Company undertakes with these institutions	<ul style="list-style-type: none"> Employing multiple intermediary institutions and reducing exposure to any single institution Conducting regular review of the Treasury processes and the counterparty limits
Risk of Customers/ Clients facing financial difficulty	The Company's credit terms are standard and there is constant monitoring of the creditworthiness of the clients and prospective customers. This is especially critical in case of customers where the Company experiences delayed payments	<ul style="list-style-type: none"> Enhanced monitoring of outstanding amounts from our customers

Governance for Sustainability

As a responsible corporate entity, to minimize any indirect impact, TCS undertakes measures as depicted below and ensures that all suppliers and vendors use environment friendly components and abide by relevant regulations in the use of labor, pollution control, and so on. We strongly believe in the Green IT revolution and now have 36 delivery centres ISO14001 certified.

Area	Actions
Third party claims on customers	Clauses in contracts to safeguard our customers by including warranties & indemnities
Environment	Create the environment policy; create an organisation structure with a new role Head Health Safety Environment Develop the HSE procedure manual; provide safety engineers at construction sites; start vermiculture activity at all new facilities; introduce rainwater harvesting; institute energy audits
Loss of local employment	Hiring locals; setting up DCs at overseas locations; working with NASSCOM & TATA Group to engage in responsible outsourcing; actively taking part in CS activities across the globe
Electronic wastes	Disposal done through government certified disposal vendor Donate computers to extend its life of use

Distribution of Products and Services

TCS has leading presence in IT Outsourcing and BPO space. The following diagram describes the range of services offered by TCS in various domains.

Exhibit 1.3: TCS' Products and Services

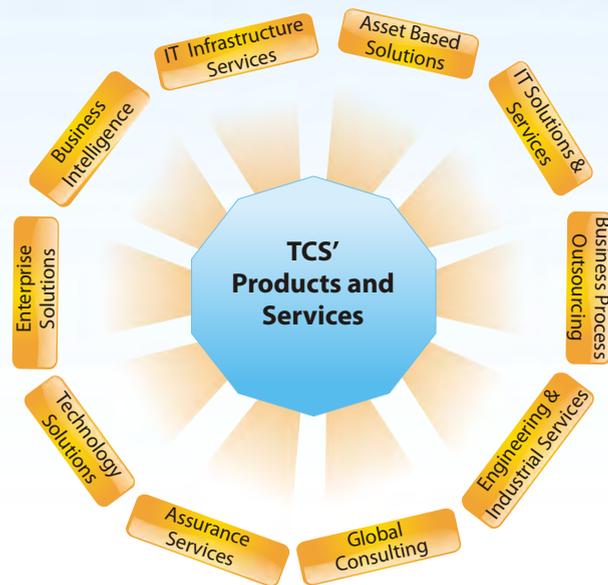


Exhibit 1.4: Revenue by Significant Services

Revenue by Significant Services		
Service Lines	2008-09 % of Revenue	2007-08 % of Revenue
IT Solutions and Services		
Application Development and Maintenance	48.46	48.34
Business Intelligence	8.13	9.66
Enterprise Solutions	12.60	13.10
Assurance Services	4.26	3.83
Subtotal IT Solutions and Services	73.45	74.93
Engineering and Industrial Services	6.01	5.35
Infrastructure Services	8.04	6.54
Global Consulting	2.68	3.36
Asset Leverage Solutions	2.93	3.59
Business Process Outsourcing	6.89	6.23
Total Revenue	100	100

Exhibit 1.5: Revenue by Significant Industry Practice

Revenue by Significant Industry Practice		
Major Industry Practice	2008-09 % of Revenue	2007-08 % of Revenue
BFSI	43.32	44.61
Manufacturing	10.08	9.93
Retail and Distribution	8.91	6.52
Telecom	16.30	16.32
Others	21.39	22.62
Total Revenue	100	100

Exhibit 1.6: Revenue by Geography

Revenue by Geography		
Service Lines	2008-09 % of Revenue	2007-08 % of Revenue
Americas	51.38	50.35
UK	18.99	19.91
Europe	10.53	9.28
India	7.85	9.04
Asia Pacific	4.75	5.27
Iberoamericas	4.71	4.45
ME/Africa	1.79	1.70
Total Revenue	100	100

Key Sustainability Issues

Key Issues	Main stakeholders affected	TCS' approach	Achievements
Maintain high rates of employee retention	Employees, customers, shareholders	Towards employee retention, we do the following: (1) Continue to invest in world-class facilities (2) Provide excellent learning and development opportunities to encourage employees' career progression For more details, see Labour Rights section.	TCS has the best retention rate in the IT industry. The 'Investors in People' (IIP) re-certification was awarded to TCS UK & Ireland
Ensure Skills development and availability	Employees, academia, community	TCS believes in improving education for all. In addition to our close links with the academia through our formal Academic Interface Programme and our own employee learning and development programmes, we have identified education as one of our key themes for community investment. We continue to expand our Adult Literacy Programme and many employees volunteer to help in schools. For more details, see Labour Practices section.	The AC Nielsen survey of students on technical campuses shows the positive trend of TCS' mindshare in the significant hiring community
Ensure Ethical business practices	Employees, customers, suppliers	The Tata Code of Conduct and Ethics processes provide a framework to promote ethical behavior in the workplace and marketplace. A whistle-blower policy has been implemented to allow concerns to be raised. TCS is defining a responsible off-shoring policy to help ensure that companies looking to move work off-shore do so in an ethical way. For more details, see Human Rights section.	TCS and Tata Group has been rated 6th most respected organisation in the world
Sustain High Customer satisfaction	Customers	Our robust quality management system, iQMS, ensures global standards across all our centres in the world. For more details, see Product Responsibility section.	Customers' awards, rated "Industry Leaders" in Gartner and Forrester reports
Minimise Energy conservation waste	Environmental NGOs, community, shareholders, employees	We are aware of our responsibility to drive for reduction in the impact we have on the environment. Having analysed our current environmental performance, plans are being finalised to deliver further reductions in CO2 emissions, water and paper consumption. A range of other initiatives are being investigated and progress will be reported in future reports. For more details, see Environment section	Golden Peacock Award for Yantra Park facility at Thane
Work in harmony with Community interested worldwide	Community	TCS has defined policies and procedures for CS framework. Maitree and the CS Group work together with associates and clients on socially important themes. For more details, see the Community section.	Golden Peacock Award for CSR. BitC has rated TCS as "Gold", that is, overall 91%

Stakeholder Engagement

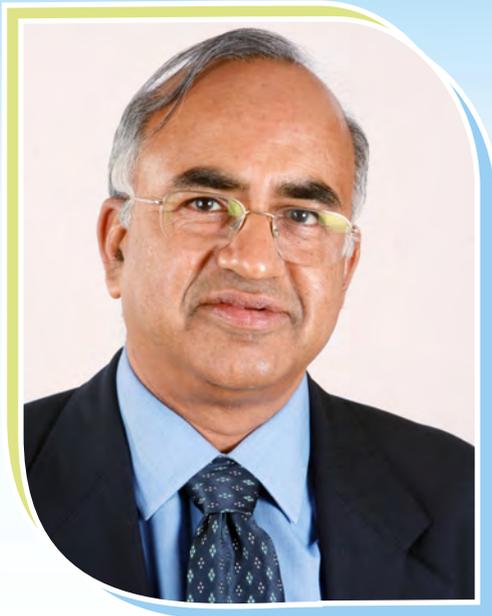
Stakeholder	Type of Engagement	Awards & Recognition
Shareholders	Press Conference, Visit to TCS, Analysts Day	Best Governed Company Award 2008 (3 Dec 2008)
Customers	Customer Summits, Events, Visits, Surveys, Reorganisation	2008 Frost & Sullivan Customer Value Leadership (CVL) of the Year Award in the Information Technology (IT) services space for manufacturing industry 2007 Top Channel Partner Award for India from Siemens PLM
Employees	PULSE survey, Dipstick Survey, Town Halls, Open Houses, PEEP	TCS among 15 Greatest Places to Work in Uruguay (24 Dec 2008)
Industry Bodies, Govt Bodies, NGOs, Charitable Trusts	Participate in Committees, Seminars, Conferences	<ul style="list-style-type: none"> • Highest rating in Karmayog CSR Ratings of the 1000 largest Indian companies – 2008 (07 Apr 2009) • CII Western Region Safety, Health & Environment Award 2008 (12 Mar 2009) • Recruiting and Staffing Best in Class Awards (RASBIC) 2008-09 (11 Feb 2009) • Industry Excellence Award 2008 from Institution of Engineers, India (14 Dec 2008) • Outstanding IT Company Award from FAPCCI (5 Dec 2008) • Golden Peacock Innovation Award 2008 (01 Oct 2008) • Wall Street Journal Global Innovation Technology Award in Wireless Category (30 Sep 2008) • TCS tops Dataquest's Top 20 list of Indian IT companies (23 July 2008) • Gold status in this year's Business in the Community (BitC) Corporate Responsibility Index (CRI) (02 May 2008) • Global IT Services Customer Value Leadership Award for 2008 (TCS Corporate, 18 April 2008) • Dun & Bradstreet - Rolta Corporate Awards 2008 (25 Mar 2009) • Top Telecom Software Company of the Year 2008 (27 Oct 2008)
Academia	SANGAM Conference of HODs	
Society	Surveys, NGO meets, Stakeholder feedback	WebHealthCentre wins Manthan Award South Asia 2008 (23 Oct 2008)





ECONOMIC

From the CFO's desk



TCS firmly believes that the reporting practices should ensure transparency and fairness, while at the same time sticking to our stand on not giving guidance, but ensuring that we disclose all factors impacting our environment and our operations. We want constant improvement to be the goal.

As an organization we use our publicly stated values as guiding principles for decision-making in the conduct of our business. We strongly believe that the conduct of business is best done while keeping societal responsibilities in terms of our external and internal constituencies in mind as this provides us with an unassailable competitive advantage. Good citizenship, public accountability, serving the community and ensuring that whatever profits come to us from the communities we serve goes back to the community manifold is the hallmark of Tata Group Companies of which we are a proud member.

S Mahalingam

Chief Financial Officer and Executive Director

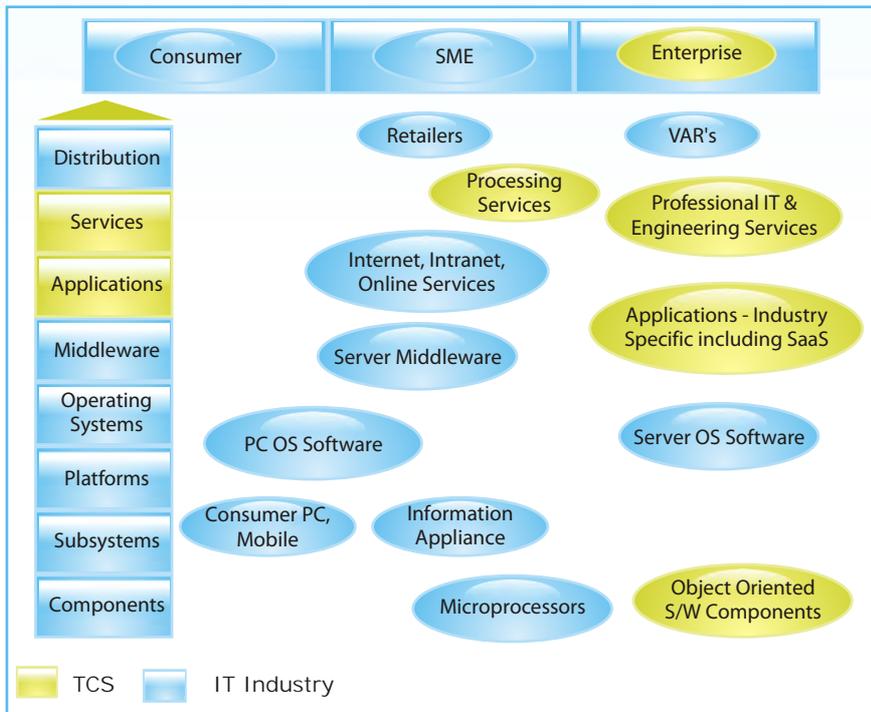
TCS is committed to ensuring balanced and sustainable performance, which we believe is only possible when economic, social and regulatory (including labor and human resources related), environmental, and community responsibilities are measured and reported to ensure satisfaction of all the identified stakeholders which include Shareholders/Investors, Associates, Alliance Partners, Customers, and Society.

Economic Strategy and Management Approach

IT Industry Structure and TCS' positioning in the Industry

The global Information Technology industry is a multi-trillion dollar industry with numerous players. The North American market comprising mostly the United States is the largest market and the major driver of spending and growth in the IT Industry. Moreover, many European corporate organizations are increasing their spending on IT and IT-related services. Growth in IT spending is highest in Asia-Pacific and also in Latin American nations.

Exhibit 2.1: IT Industry Structure & TCS' Positioning in the Industry



TCS has positioned itself as an end-to-end IT and business services provider for our global clients.

Sustainability Integrated Business Strategy

TCS' Strategy

The core of TCS strategy is to enable its clients to 'Experience Certainty' by offering a level of certainty in their IT operations that no other company can match. This is built by ensuring operational excellence and rigor in all aspects of operations; offering an integrated full service play using our Global Network Delivery Model (GNDM™) that offers customers unmatched value.

Customer Focused Strategies

Experience Certainty: To drive the promise of certainty in customer experience, TCS has implemented the world class integrated Quality Management System (iQMS) across the organization. TCS has pioneered a new level of transparency and direct focus on quality of customer experience by building "Experience Certainty" dashboards for customers to view and compare quality of delivery vis-à-vis their quality of experience.

Global Network Delivery Model: The Global Network Delivery Model (GNDM™) allows the Company to deliver services to customers from multiple global locations in India, China, Europe, North America, and Latin America. The GNDM™ enables the Company's delivery centres to collaborate on projects leverage all our assets to ensure 'One Global Service Standard' through homogeneity in terms of quality, skills, as well as look-and-feel. This offers clients with:

1. Global, Interconnected Workforce
2. Integrated Processes
3. Multi-Tiered Infrastructure

Integrated Full Services Offering: TCS continues to build on its 'Full Services Offering' that offers global customers an integrated portfolio of services including a comprehensive range of IT and Application related services, Remote Infrastructure Management, BPO and Engineering services, front-ended by a strong, domain-led Global Consulting Practice.

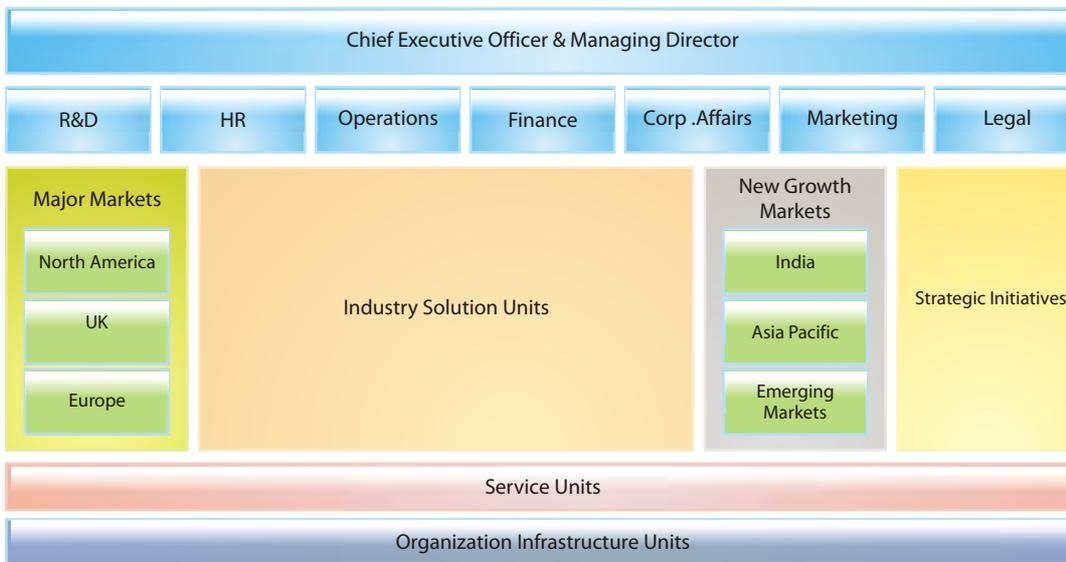
Strategic Acquisitions: TCS looks to fill gaps in its services portfolio, enter new geographies or market segments as well as insource domain and technology expertise.

Organizational Strategy: The organizational restructuring, carried out in April 2008, resulted in individual business units structured as industry solution units (ISUs) for the major markets in the USA and Europe; independent business units were set up in new growth markets like India, Asia Pacific, Latin America, Middle-east and Africa; and strategic business units were set up to drive new non-linear growth initiatives.

The Company's Operations and major offerings

In line with the organizational strategy the following organization units have been created to serve the customer.

Exhibit 2.2: A pictorial representation of the company's global operations is given below.



Industry Solution Units: To retain a sharp customer focus in key global accounts TCS has established the following Industry Solution Units (ISUs) along industry verticals in major markets

- Banking and Financial Services,
- Insurance,
- Telecom,
- Manufacturing,
- Retail and Distribution,
- Life Science and Healthcare,
- Media and Information,
- Hi-Tech,
- Government,
- Energy Resources and Utilities, and
- Travel and Hospitality

Strategic Growth Business: TCS established three Strategic Growth Businesses:

1. **TCS Financial Solutions:** TCS Financial Solutions creates value for financial institutions across the globe by leveraging its integrated financial services applications platform, TCS BaNCS, for global banking, capital markets and insurance industries.
2. **Platform Based BPO:** Platform based Business Process Outsourcing (BPO) is an outsourcing model in which TCS utilizes established technology platforms to provide business solutions and services to customers for executing highly standardized processes.
3. **Small and Medium Business:** TCS launched the Small and Medium Business (SMB) Strategic Business Unit (SBU) with the objective of offering "IT-as-a-Service" framework.

TCS' Geography Strategy

In terms of geographies TCS continues to grow in multiple geographies.

- **Major Markets:** TCS continues to focus on serving large global clients and growing our business in the major markets, namely, North America, Western Europe, the UK and Ireland.
- **New Growth Markets:** TCS has been investing in emerging or new growth markets such as Latin American markets like Brazil, Chile, Mexico, Argentina, Colombia and Ecuador, Asia-Pacific region including China and the other Asian countries, as well as Eastern Europe, Middle-East and Africa. TCS continues to remain committed to investing in the fast developing market in India.

Partner Focused Strategies

Overview

- **Alliances and Partnerships:** TCS continues to work with partners in the technology industry including key strategic partners like SAP, Oracle, Cisco, Microsoft, SAS, Unigraphics, IBM and HP as well as multiple solution partners whose niche products may be provided as part of TCS' systems integration offerings to clients.

Exhibit 2.3: TCS' Alliances and Partnership

SAP SUN	MICROSOFT CISCO	IBM	ORACLE	HP EMC	ISUs, MMs, NGMs,TEG
Key technology Partners					
HP	IBM	EMC	Partners as TCS' Customers		ISUs, TEG
Product Alliances-Resell in India only					PAG
Marketing Alliances		Information Alliances			MM, NGMs, Corporate Strategy
Academic Alliances		R&D Alliances			CTO, R&D
Business Associate Alliances					BA Program
JVs and Special Alliances					Corporate Strategy

- Academic Program:** Continuous interaction with universities and other educational institutions remains a central plank of TCS' strategy to attract the best scientific and engineering talent. TCS has also set up an Industry - Academia collaboration network with some of the foremost Universities in India and rest of the world.

Exhibit 2.4: Partner Supplier requirements and communication mechanisms

Partner/Supplier	Key Supply Chain Requirements	Partnering Relationships	Involvement in Innovation Process	Communication Mechanisms
Academic Institutions, BA Companies & Head Hunters	To make available industry ready workforce	MoU AIP	<ul style="list-style-type: none"> Joint research Improving timeliness 	Academic Liaison Manager Academic portal on Ultimatix
HW/SW Suppliers & Communication Service Providers	To deliver latest infrastructure in time To ensure quality & service continuity	Contracts	<ul style="list-style-type: none"> Joint research 	Meetings of IS&S group with suppliers Innovation day Setting expectations through SLAs and review meetings 'SANGAM'
Travel Agents and Airlines	To provide timely & cost-effective service	Contracts	<ul style="list-style-type: none"> Improving Services 	Daily interactions with travel agents located in TCS premises
Financial Analysts, Technology Analysts, Industry/Domain Analysts	To provide reports on competitive environment, industry trends & technology changes	Contracts MoU	<ul style="list-style-type: none"> Advisory 	Reports & surveys Analyst day celebration
PR Advertising Agencies	To enhance the public image of TCS	Contracts		Regular meetings, reports, surveys & press conferences
Jvs & Subsidiaries	TCS - China,, TCS-ibero, FNS , Dilegenta, Comicon,CGSL	MoU	<ul style="list-style-type: none"> Improving services Joint research 	Board reviews & regular meetings at leadership levels

Associate related strategies

Human Resources: TCS continuously invests in human resources development.

- **Talent retention strategy:** Continuously investing in learning and development programs for employees, competitive compensation, creating a compelling work environment, empowering employees at all levels, along with a well structured reward and recognition mechanism.
- **Talent diversity strategy:** The composition of the global workforce continues to show increasing trends in the number of female employees and foreign nationals from countries across the globe. TCS is focused on adding to its global knowledge workforce and integrating these global professionals into the workforce.
- **Talent acquisition strategy:** TCS continues to invest in building talent in the country through a stringent academic accreditation program as well as by providing training, internships and projects to students.
- **Inclusive Talent Development strategy:** TCS Ignite: Launched in 2007, Ignite continues to make significant strides in the areas of training, digitization, and innovation. Ignite also demonstrates the commitment of the organization to inclusive growth by hiring 60% first generation graduates. In all, 944 science graduates from nearly 500 colleges across the country and from Nepal and Bhutan were trained and deployed in 2008-09. Since the inception of the program, the total number of graduates trained and deployed is 2,517. The project leader community rated deployability of Ignite trainees as very high.

- Learning and Development (L&D):** As the recruitment mix of new employees becomes biased toward hiring greater numbers of fresh engineering graduates from campuses, the capacity of Initial Learning Program (ILP) had to be increased. Two new ILP centres were opened in Ahmedabad and Guwahati, besides the one in Thiruvananthapuram. Our employees gained 23,000 new technology certifications during 2008-09 as part of the Continuous Learning Program (CLP) in FY09. The e-Learning coverage increased to 32% of total learning days with modules in Portuguese, Mandarin and Spanish rolled out. A new version of Competency Management System (iCALMS) and a Learning Planning System have been implemented to increase the automation of L&D processes.

Society Related Strategies

The Company strategy is focused on ensuring 100% compliance with all local laws, regulations and requirements for doing business in the countries in which it operates.

Exhibit 2.5: Social and Regulatory Process

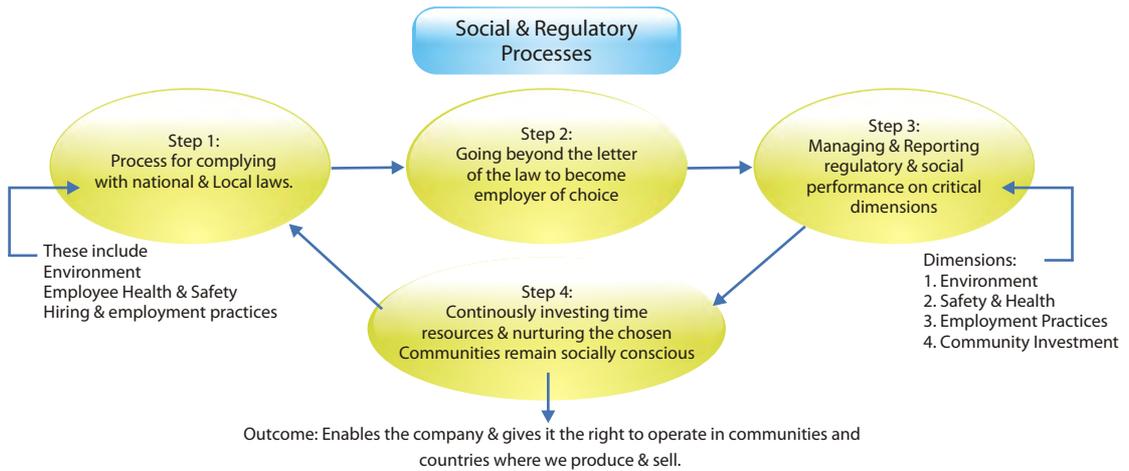


Exhibit 2-6: Regulations, Guidelines and Certifications for the Company

Area	Regulations ,Guidelines and Certifications
Environment	Central Govt. Regulations - Water (Pollution & Prevention of Pollution) Rules, Air (Pollution & Prevention of Pollution) Rules, Environmental Protection Act & Rules, Hazardous Waste (Management & Handling) Rules, Environmental Impact Assessment Notification, Batteries (Management & Handling) Rules, Ozone Depleting Substances (Regulation & Control) Rules. In addition, there are several state-level, local-level regulations and requirements. E-waste Management Guidelines (CPCB), Global Reporting Initiative (GRI-G3) guidelines, BitC guidelines and ISO 14001:2004
Financial	FEMA, financial reports in line with the accounting system of the country of operation, tax laws, export regulations, SEBI, company law, SOX, STP & SEZ
Software Products and Services	CMMi, ISO 9001:2000, TL9000 (telecom), ISO13420 (medical devices), AS9100 (aerospace), IS 13485, FDA (Pharma) & HIPAA (US) ,ISO 20000
Software Information Security	IS27001, Data protection laws in regions like Europe
Employees	Shops and Establishment Act, immigration laws, IPR laws & labour laws of country of operation (like TUPE in UK) , discrimination and workplace harassment laws
Health & Safety	National Building Code & Rules in Shops and Establishment Act
Corp Governance	Companies Act 1956, Securities Contract Regulation Act, SEBI Act and regulations made there under, provisions of listing agreements of stock exchanges, CG report and Global Compact

Shareholder Related Strategies

TCS leadership is focused on delivering value to all its stakeholders. The methodology institutionalized at the Company level for this is the use of strategy maps and creation of Balanced Score Cards (BSC) to deploy strategy, which is cascaded to all units in the organization. The four perspectives of the BSC are Financial, Stakeholders, Internal, and Learning and Growth.

Management Monitoring and Implementation of Company Strategies

The senior management team is focused on monitoring and improving TCS' performance. Balanced Score Cards are used as one of the tools to implement these strategies. TCS also uses appropriate dashboards for measuring and monitoring its performance and those of its various businesses and operating units. The use of Balanced Score Cards as a means for attaining the Company's desired strategy enables it to monitor the needs of all its stakeholders and ensure their satisfaction.

The Company's identified set of stakeholders around which all its business reviews revolve are:

Stakeholder/ Review Drivers	Customer	Partner	Associate	Shareholder	Society
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The strategic, tactical, and operational reviews which are conducted by senior management in the normal course of business activities are summarized in Exhibit 2.7.

Exhibit 2.7: Strategic, tactical, and operational reviews

Business Unit	Participants	Frequency	Level
Strategic Review	Sr. Leadership Team, Unit Heads, Think Tank	M	Strategic
Geography	COO, Geo Head, Geo Sr. Mgmt and Key Members	M	Tactical
Industry Verticals	COO, Unit Head, Unit Members	M	
Service Lines	COO, Unit Head, Unit Members	Q	
Delivery Centres	COO, Unit Head, Unit Members	M	
Functions: HR, Finance, Marketing	Functional Head, Unit Members	M	
Functions: CIO, CTO R&D, IPD	Functional Head, Unit Members	Q	
Subsidiaries: (FNS/Comicrom Diligenta/CMC)	Subsidiary Head, Unit Members	Q	Operational
Relationships	Executive Sponsor, Relationship Head, Unit Members	M	

Economic Performance

Exhibit 2.8: Direct Economic Value Generated: Revenues and Export Revenues (in Rs. Crore) (1 Crore = 10 million)

TCS generates revenue through export of IT and Business Services for its global clients. The economic value generated by the company in absolute terms and the export component of this value generation is shown in Exhibit 2.8.

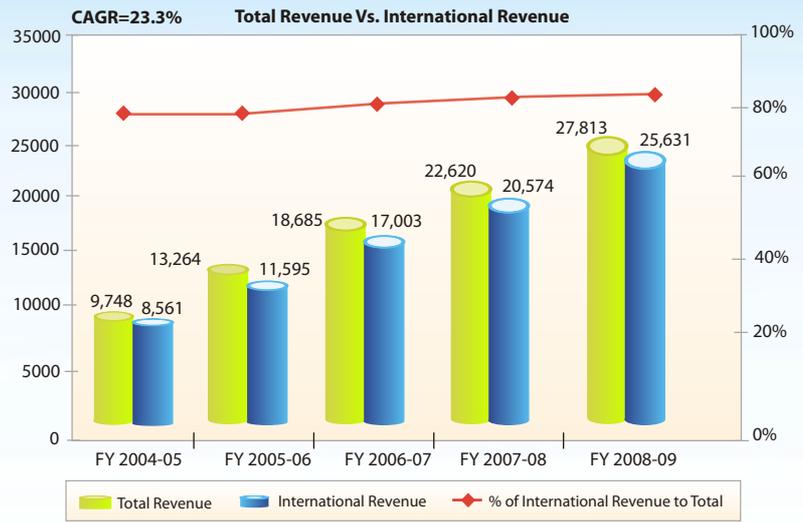


Exhibit 2.9: Revenues by Geographic Segment

The break-up of revenues by geography over the last five years is shown in Exhibit 2.9. TCS' largest markets are the Americas (primarily USA), Europe (primarily UK), and India. Others include business from the Asia-Pacific region, Africa, Middle-East, and countries in Eastern Europe, among others.

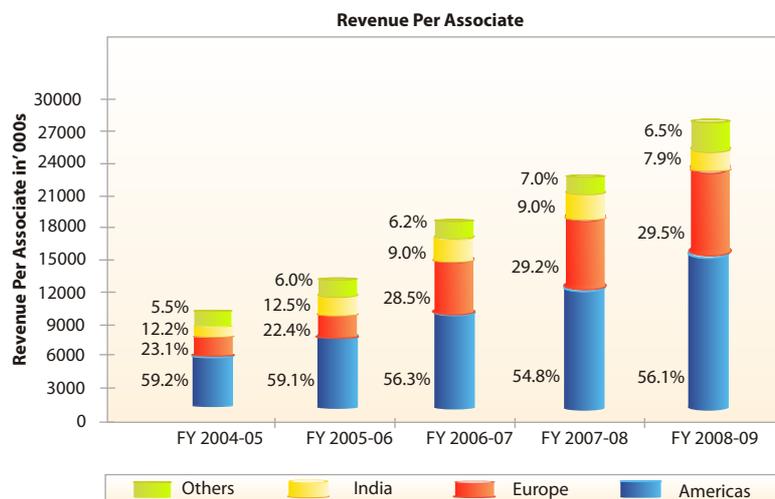
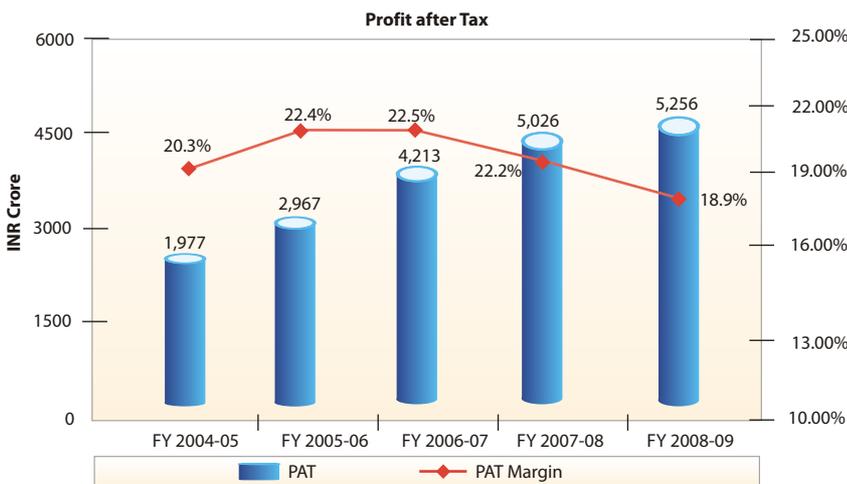


Exhibit 2.10: Profit Before Interest Depreciation and tax (in Rs. Crore) (1 Crore = 10 million)



The company-specific parameters tracked by TCS to monitor and manage its direct economic value generated include: PBIDT and PBIDT Margin (Exhibit 2.10), PAT and PAT Margin (Exhibit 2.11), Earnings Per Share (EPS) (Exhibit 2.12), Revenue Per Employee (Exhibit 2.13), Revenue from Offshore Businesses (Exhibit 2.14) and Economic Value Added (EVA) and EVA margin (Exhibit 2.15). The trends in these parameters over the last five years are shown in the exhibits.

Exhibit 2.11: Profit after tax (in Rs. Crore) (1 Crore = 10 million)



PAT of TCS has grown consistently. Though PAT in absolute terms has grown in fiscal 2008-09, the PAT margin has shown a decline

TCS' Earnings per Share has grown more than 2.5 times over the last five years.

Exhibit 2.12: Earning Per Share (Rs. per share)



The number of employees have been growing consistently indicating steady growth in the business of TCS. Revenue per Employee has remained healthy due to optimum utilization of resources.

Exhibit 2.13: Revenue Per Employee (in Rs. '000 per employee)

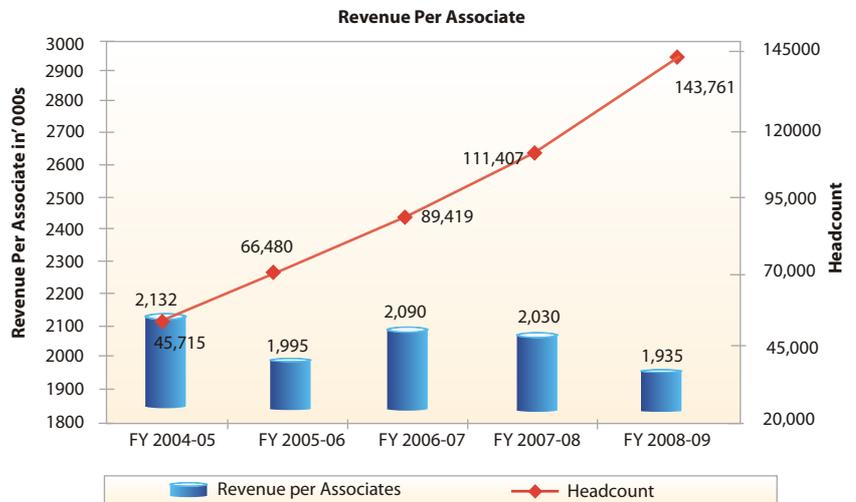
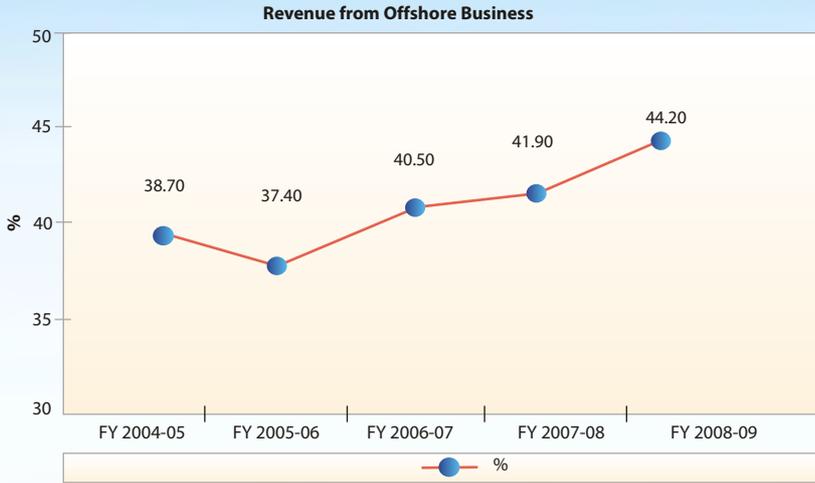


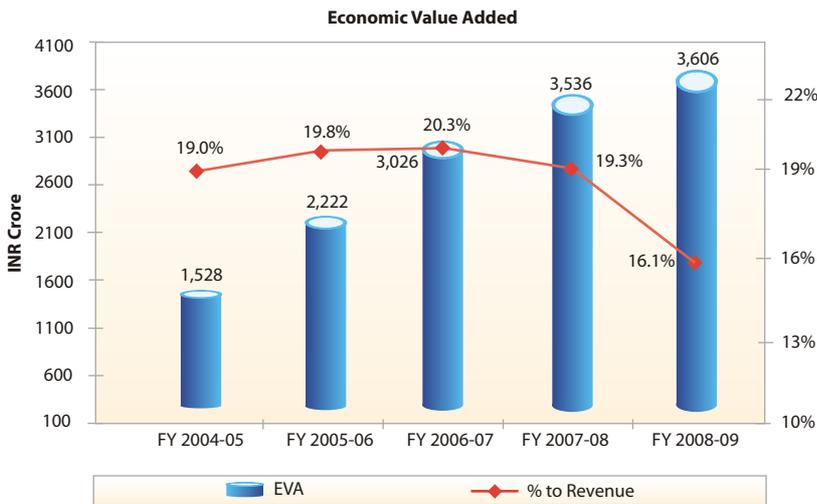
Exhibit 2.14: Percentage of Revenue from Offshore Business



Economic Value Distributed

TCS' offshore business is showing a steady upward trend. This is in line with the Company plans to increase the offshore component.

Exhibit 2.15: Economic Value Added (in Rs. Crore) (1 Crore = 10 million)



TCS continues to deliver EVA growth consistently. The growth in EVA in the current fiscal ended March 31, 2009, was anemic. The EVA margin on our unconsolidated revenue has remained in the range of 19 to 20 percent during the last four years. The EVA margin in fiscal 2009 has declined.

Operating Cost constitutes payment to suppliers and all other non-employee related payments.

TCS' scale of operations has increased manifold over the last five years and, correspondingly, the operating expenses constituting primarily payments to suppliers of services and products for its global operations has increased in absolute terms. Strong operating cost control measures have ensured that these expenses, as a percent of revenue, are controlled and reduced.

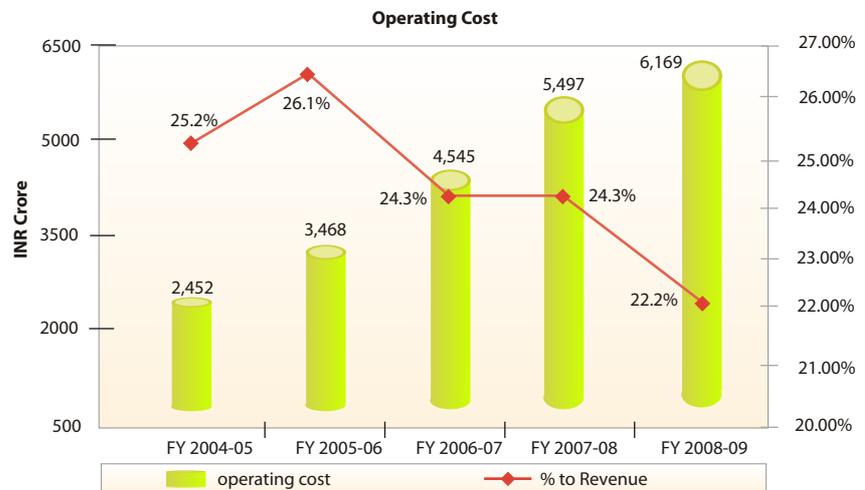
Most of the reduction in operating expenses in fiscal 2009 was achieved in areas like energy consumption (electricity costs) and travel, which have substantially brought down TCS' carbon footprint. Energy efficient lighting (LED for all new buildings), CFL for all replacements, physical administrative controls, and an enterprise wide communication campaign to turn off lights, air-conditioners, terminals when not in use were some of the effective measures taken to control Electricity costs and bring down unnecessary consumption. Travel costs were controlled by increased use of videoconferencing and teleconferences for internal and customer meetings.

To improve energy efficiency, TCS regularly invests in energy audits and implements the actions based on the audit findings. Most of the delivery centers in India have been certified for ISO 14001.

All capital expenditure incurred by TCS is evaluated for:

1. Environmental,
2. Societal
3. Financial perspective before approval.

Exhibit 2.16: Operating Cost as a % of revenue (in Rs. Crore) (1 Crore = 10 million)



Employee Costs

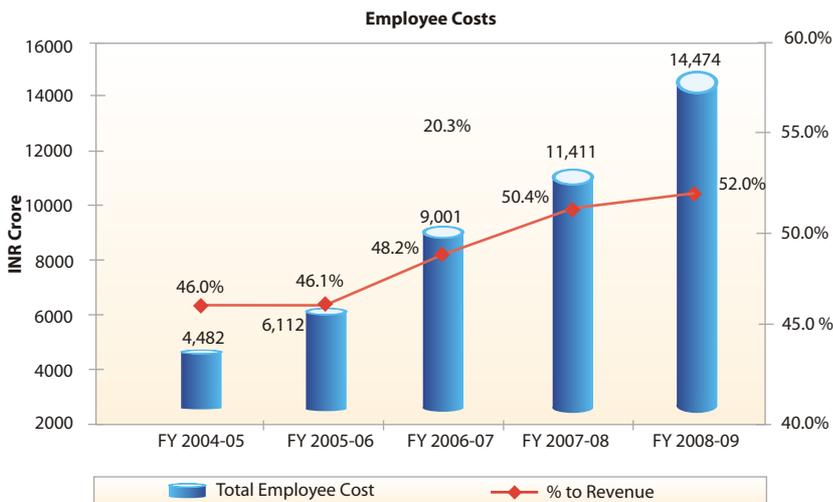
TCS' compensation to its growing global workforce is showing a steadily upward trend in both absolute value and also as a percent of revenues.

Payments to providers of Capital (Interest and Dividend Payments)

The Dividend payout to equity shareholders has been steadily increasing in both absolute terms and as a percentage of revenue. Interest expenses and corresponding payouts to lending institutions are negligible in absolute terms and as a percentage of revenue because TCS has limited borrowings.

Information about Interest payouts and Dividend Payouts are available from TCS' annual report hosted at www.tcs.com.

Exhibit 2.17: Employee Cost as a % of revenue (in Rs. Crore) (1 Crore = 10 million)



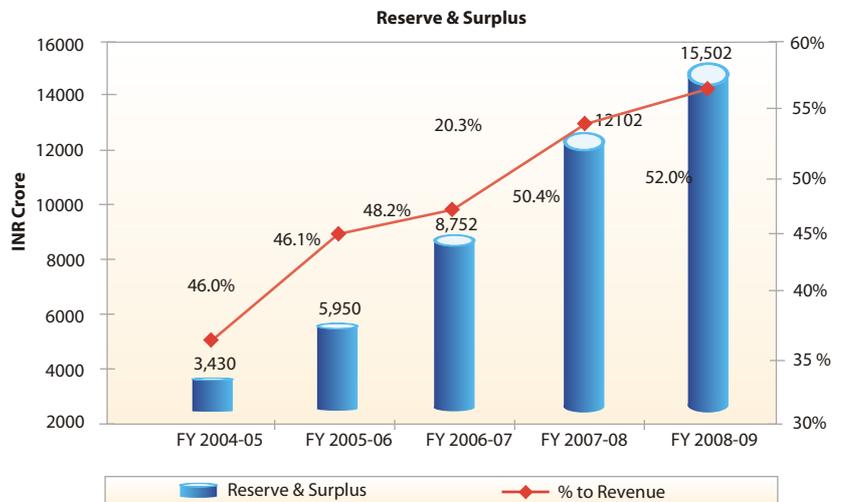
Payments to Government

Though payouts to governments in absolute terms has increased 3.37 times in the last five years, and the Compounded Average Growth Rate (CAGR) in tax payments has been 27.55% over the last five years, the percentage of these tax related payouts as a percentage of total revenues in the respective period has declined for fiscal 2009. This is because of optimum tax management and execution of projects from lower tax jurisdiction countries.

Reserves and Surplus

Economic value retained to fund future growth plans of TCS has shown a steady growth from 35.2% of revenues in 2004-05 to 55.7% of revenues in 2008-09. This shows the management's confidence in the future growth prospects of TCS.

Exhibit 2.18: Reserves and Surplus Reserves as a % of revenue (in Rs. Crore) (1 Crore = 10 million)



Response to Climate Change

TCS is committed to environmental management as a vital responsibility. It is moving forward in this area and certifying all its delivery centres for ISO 14001. It is also raising awareness amongst all its associates and partners; thereby, promoting concern for the environment.

TCS' greatest contribution to the environment is in the potential its services and solutions in Information Technologies have to offer, to help its clients contribute toward improving environmental management and benefiting the society at large. Specific indicators related to financial implications of climate change are placed at the Governance level as part of the enterprise-wide Risk Management efforts in TCS.

TCS has actively taken up "Green IT" as an offering and is offering environmental consulting and associated IT services as part of its offering suite to its clients. Also, the company's Financial Services units (TCSFS) is the first unit to offer a software program to help its clients track and address the trading in carbon credits which is becoming a big business.

To strengthen the Global Compliance requirements TCS has appointed a Chief Compliance Officer and constituted a compliance committee, with members from various functions involved and the Chief Compliance Officer reports to the Board of Directors on a quarterly basis.

TCS Continues to make investments in its Corporate Sustainability Programs and below are the details:

As is evident from the table we are reaching 1.3 million children in 2008-09 as compared to 0.1 million in 2007-08. This is primarily by using Teachers as the leveraging entity for our programs.

No direct financial assistance has been received from government in FY 2008-09

Exhibit 2.19: Investments in Corporate Sustainability Programs

Attribute	2007-08	2008-09
Cash (Millions of US\$)	5	2
Technology	2	0.5
Employee hour volunteer	1,011,281	46,228
# of Schools associated	8,000	1,310
# of Children reached	100,000	13,000,00
# of Teachers reached	20,000	20,000

Market Presence

In all its areas of operation, TCS' remuneration to the employees is significantly more than that specified by the Minimum Wage Laws in the respective countries. In some of the major markets where TCS operates, it pays substantially more than the prevailing market rates to local employees with appropriate skills and management talent required by the company in order to attract and retain such talent. The scarcity of talent continues to be a challenge for all the IT services companies in the industry. TCS benchmarks itself against prevailing wage requirements in all the countries where it has established operations and ensures that compensation to its employees are in the median range to ensure retention of company critical local employees.

Local market spending, for the data shown, has been collated from two sources:

- The amount spent on TCS subsidiaries at each location.

The amount of expenditures incurred by its various subsidiaries established globally has been reported in TCS' annual reports, as required under the Companies Act 1956, under section 212(8) reporting requirements.

- The amount incurred by standalone units in each location.

In the last few years, TCS has started operations in several new countries. The approach of absorbing local talent is a conscious effort on its part to integrate with the country in which it chooses to do business. TCS also has a structured programme for attracting, retaining, and using the services of business associates with specialised skills and technology, and domain competencies, as appropriate for the execution of complex projects. The Exhibit 2.20 shows the expenditures on such business associates over the last four years and also these expenditures as a percentage of revenues.

Senior Management' refers to employees, who carry out leadership roles and have many years of experience in the area of expertise or skill.

In most of the regions, the operational and management control of TCS subsidiaries continues to be in the able hands of local senior management employees, assisted by management and support staff of Indian expatriates who have become part of the local companies.

Exhibit 2.20: Business Associates Expenses as a % of revenue (in Rs. Crore) (1 Crore = 10 million)

	Amount in Rs. Crore	
	Business Associate Expenditures	Business Associate Expenditures as a % of revenues
2005-06	845.61	4.47
2006-07	756.12	4.99
2007-08	850.49	3.76
2008-09	1,108.71	3.99





ENVIRONMENT



Environment Strategy and Management Approach

Implementing an Environmental Management System (EMS), as per ISO 14001, forms an effective platform for the deployment of robust environment management processes and practices. We have added 17 centres to the list of 19 ISO 14001:2004 certified centres including two overseas centres in Hungary and China.

TCS' commitment toward the environment and sustainable development is outlined in the Environment Policy, which was updated in 2009, as a response to the rapidly changing environmental scenario and concomitant stakeholder expectations globally and in India.

Commitments in the Policy reflect our understanding of global issues and commitment to take appropriate action.

- Assimilate climate change mitigation and environmental improvement as essential elements of TCS' sustainable business philosophy
- Promote 'Green IT' as a business value proposition
- Strive to minimize the environmental impact of our business activities by reducing our ecological and carbon footprint
- Mandate all employees to use non-renewable resources, such as water judiciously and implement 3R's philosophy in their business processes
- Reduce GHG emissions by improving energy efficiency in operations, including at data centres
- Promote Green Procurement to the maximum possible extent
- Promote 'Reduce, Reuse and Recycle' philosophy for all types of wastes
- Set, monitor and review targets and comply with all applicable legal and other requirements

TCS fully complies with all the legal and other requirements as per environmental laws, regulations and guidelines applicable to TCS and voluntarily adapted by us. There have been no sanctions for non-compliance for any of our facilities.

Exhibit 3.1: Targets and achievements for the year 2008-09

Objectives	Target	Increase/Decrease	Performance	Increase/Decrease
Environment-friendly disposal of E-waste and printer cartridges (Nos.)	100%	–	100%	–
Manure Generated (from vermi-composting & bio-digester)(Kg)	25%	Increase	1.7 times	Increase
Power Consumption (kWh / person / month)	5%	Decrease	16 %	Decrease
Paper Consumption (Reams / 1000 employees /month)	2%	Decrease	42%	Decrease
Recycled Water (Kiloliters)	10%	Increase	69%	Increase
Solar Water Capacity (Kiloliters)	10%	Increase	55%	Increase
Bio-digester Plant Capacity (Tons)	25%	Increase	16 times	Increase
Rainwater harvesting/ground water recharging Potential (Kiloliters)	10%	Increase	9 %	Increase
Carbon Footprint* (t-CO ₂ e / person / annum)			22.4%	Decrease
* Not included in Targets set for 2008-2009				

Exhibit 3.2: No. of ISO 14001:2004 certified centres

Year	Cumulative / Total Number of Certified Centers
2006-07	12
2007-08	19
2008-09	36

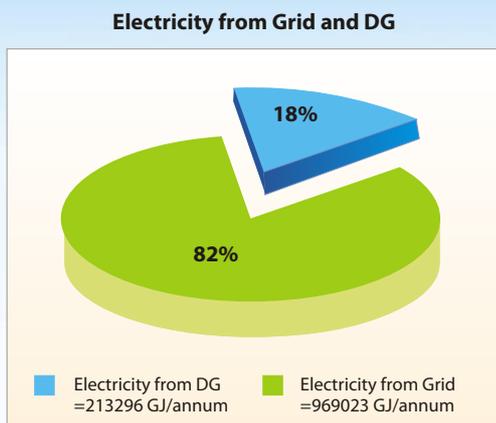
Our initiatives have yielded satisfactory results in 2009 as evidenced from our performance against targets set for 2008-2009 as shown in Exhibit 3.1.

TCS has spent over INR 75 million on environmental protection this year. This includes the investment made for implementing the environmental management system, environmental improvement projects, biodiversity enhancement projects and green IT initiatives. This does not include the incremental investment toward building the LEED certified buildings. With an investment of INR 44 million for green IT initiative alone, we have been able to achieve a saving of INR 237 million.

Exhibit 3.3: Objectives and targets for the year 2009

Environmental objectives and targets for the year 2009-10			
Sr. No.	Objective	Units	Value*
1	Reduction in Electricity consumption	KWh / FTE / month	2%
2	Reduction in Water consumption	Liters / FTE / month	2%
3	Reduction in Paper consumption	Reams / 1000 employees	5%
4	Reduction in Carbon footprint	t-CO ₂ / FTE	2%
5	Increase in Biogas generation capacity from waste	kg	2%
6	Increase in Waste conversion to Manure	Kg	5%
7	Reduction in Waste generation	kg / FTE / month	5%
8	Increase in Solar Water Heater capacity	Liters Hot Water	10%
9	Increase in Rainwater Harvesting capacity	Kilo Liters	10%
10	Reuse of treated sewage	Kilo Liters	10%
11	Environment-friendly disposal of E-waste	Numbers OR Kg	100%
12	Environment-friendly disposal of Printer cartridges	%	100%
13	Biodiversity Management Programs for campuses	Number	4
* Over Baseline year: 2008-2009			

Exhibit 3.4: Electricity from different sources



Energy

IT industries are the major consumers of electrical energy. As this form of energy is chiefly derived from fossil fuel and contributes significantly to increasing our carbon footprint, TCS' focus remains on conserving electricity and promoting its effective use.

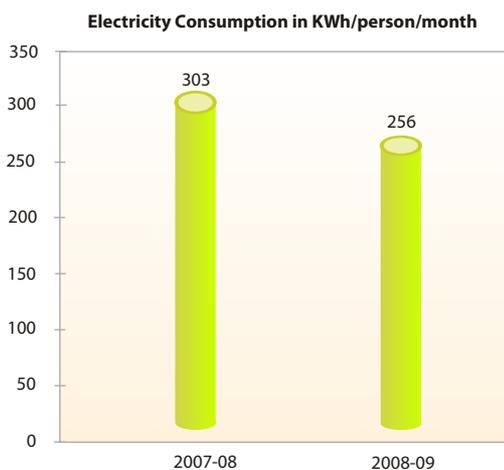
In our facilities, we mainly rely on grid electricity. During unavailability of grid power, DG is used to generate electricity. Exhibit 3.4 shows the percentage and per annum consumption of electricity from the direct and indirect sources like grid and DG.

A 15.6% decrease in electricity consumption has been recorded in 2008-09 in terms of kWh/person/month against 2007-08 (Exhibit 3.5) following adoption of various energy efficiency measures in the year.

TCS' energy saving initiatives focus on ensuring strict operational discipline and installation of energy efficient equipments as below:

- Switching on the AC half-an-hour late every morning and turning it off half-an-hour earlier in the evening,
- Regulating temperature in a close band (24±1o C),
- Replacing tube-lights with CFL luminaries,
- VFD installation,
- Minimizing use of halogen and other energy intensive lighting, and
- Switching off of monitors when not in use through central programming.

Exhibit 3.5: Electricity consumption



Green Infrastructure Services

TCS' 'Green IT' initiatives, rolled out during the year are geared toward quantitative improvement in energy efficiency and carbon offsetting.

Future data centers will be designed as 'green' data centers to the extent feasible.

We are already in the process of upgrading / remodeling our Data Centres to make them energy efficient. Our Yantra Park facility at Thane, near Mumbai, has been at the forefront of greening the data centres by consolidating server positioning and deploying server virtualization for centralized management. The initiatives toward

Green Data centre includes:

- Server consolidation to efficiently use underutilized server resources
- Virtualization to mask server resources from server users and to divide the server resources into multiple execution environments
- Using High Density Rack solution for better management as well as energy and Opex/Capex savings
- Using Thermal Modelling (CFD Modelling) to identify over cooling and hot spot areas and to direct cold air at the required location.

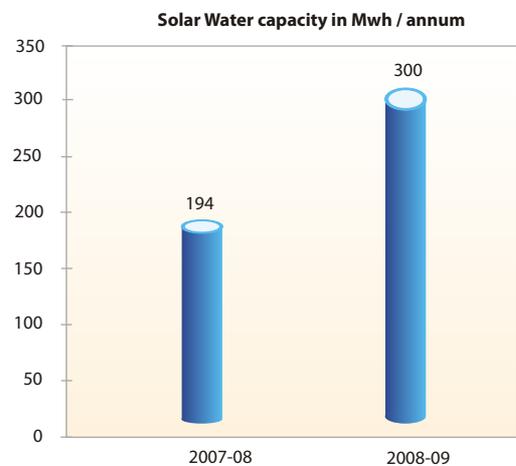
The initiative has resulted in a positive outcome with:

- 50% increase in server CPU and memory capacity
- 79% saving in power consumed by servers
- 70% reduction in power consumption for lights in the server room
- 20% lower power consumption by air conditioning because of monitoring sensor system
- 26% reduction in rack power consumption following implementation of high density rack solution
- Reduction in provisioning time from 20-40 hours to less than 2 hours



Solar Plant - TCS Yantra park

Exhibit 3.6: Solar Water Heater Capacity



- Implementation of integrated console to manage multiple devices
- Increased flexibility and responsiveness
- Reduced physical footprint
- Live migration of virtual machines through V Motion

Our green procurement policy as applicable to IT hardware is helping us achieve our objective of energy efficiency. Procurement decisions focus on:

- Procurement of low energy consumption desktop configuration from Energy Star Partners.
- Purchase of TFT monitors instead of CRT monitors whenever existing CRT monitors are replaced
- Procuring laser printers with GREEN functionality
- Procuring servers with low voltage CPUs and low wattage storages and server racks with efficient cooling system
- Server racks with efficient cooling system.

We are in the process of developing vendor selection criteria based on environmental considerations in order to influence the supply chain towards environmentally sound technologies and practices.

The use of Power Efficient Monitors plays a major role to reduce energy consumption in day to day office activities. One of the efficient ways is to replace CRT monitors with power efficient TFT monitors. Tiny transistors on a TFT monitors reduce power consumption due to very less requirement of charge to control. Typically a 17-inches TFT monitor uses 35 W per hour against 80 W per hour used by CRT monitor. The use of TFT monitors reduces power consumption of monitors by 57% and reduces the physical footprint, carbon foot print, screen glare and flickers. This initiative would bring for TCS an energy saving of 3456 MWH over a period of 4 years.

The initiative of desktop hibernation was taken to reduce wastage of energy consumed during non-office hours and idle period. The hibernation feature available within windows was used to achieve power off for monitor that is idle for 15 minutes and hibernate the workstation that is idle for 30 minutes. The access to work state is faster from hibernation as compared to power off machines. This has been implemented on 16,752 workstations in the first phase resulting in power saving of 40204.8 KWH. It is now being implemented in all the other TCS delivery centers. Some of the other benefits from this initiative include 50% reduction in power consumed by CPU, cost saving, long PC life, as well as reduction in the carbon footprint, cooling requirement and noise pollution.

As a step toward environmentally sustainable construction, TCS has tried to incorporate the LEED Green building rating system. For new facilities at Siruseri and Bhubaneshwar in India, evaluation is underway for the LEED rating. For the Kalingapark facility in Bhubaneswar, the final design-phase review by US GBC has been completed and preparations are underway for the construction-phase review.

Besides energy efficiency measures, we are exploring options to use alternate sources of energy like solar energy. TCS has increased solar water heater capacity by 54.6% in the current year to provide hot water for applications like pre-cooking, dishwashing and bin marmas (food warmers) in canteen, geysers in gymnasiums and toilets. The increase in solar water heater capacity is depicted in Exhibit 3.6.

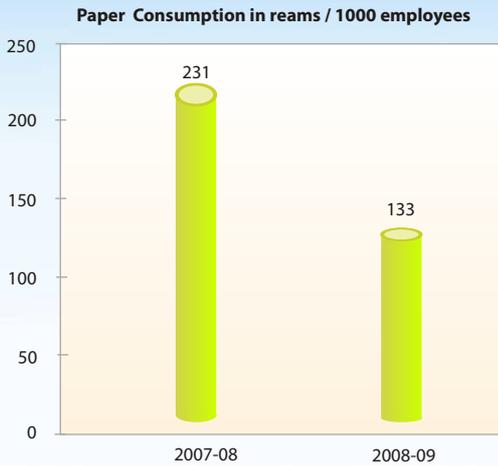


Green Building- TCS Bhubaneswar
- Proposed LEED Platinum Rating



Green Building - TCS Siruseri -
Proposed LEED Gold rating

Exhibit 3.7: Paper consumption



Paper and Cartridge Management

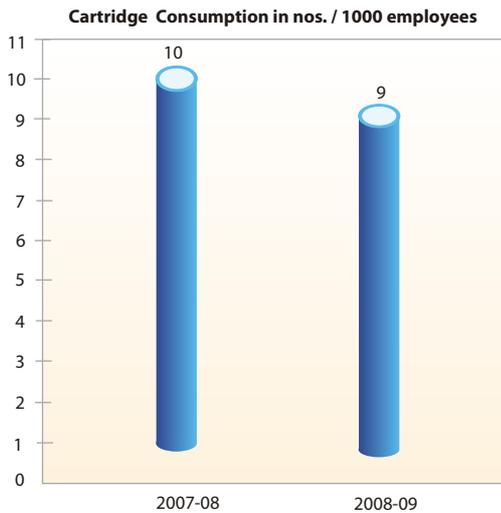
Paper consumption has come down by 42.5 % (Exhibit 3.7). Following tracking and regulating of printer operations, cartridge consumption decreased by 4.7 % (Exhibit 3.8) As part of our IT enabled paper saving drive, tools are deployed to reduce paper usage and dependency and the initiatives include:

- Deploying the printer PIN
- Consolidating print servers
- Offsetting print setup to duplex printing
- Reducing the “printer to associate” ratio

Some of the other measures to save paper and cartridge include:

- Creating awareness about the importance of saving paper
- Controlling supply of paper at printers and copier machines
- Displaying posters and sending out mailers to highlight the need for saving paper
- Making soft copies the official form of communication wherever feasible, especially for most employee self service procedures, such as applying for leave

Exhibit 3.8: Cartridge consumption



Water Management

The water management strategies adopted by us for efficient water use include efforts for conservation of water, water treatment and reuse within the premises and rainwater harvesting

Below are the measures adopted to conserve water:

- Dual flushing system in toilets,
- Taps with variable output and sensors,
- Drip irrigation system,
- Throttling of valves and
- Regular maintenance of water pumps.

Water consumption is monitored at all the centres along with awareness for conserving this fast-depleting resource. Our water consumption pattern has remained fairly constant in the year (see Exhibit 3.9) following continued implementation of measures to reduce water wastage. The percentage use of water from various sources is illustrated in Exhibit 3.10.

Exhibit 3.9: Water consumption

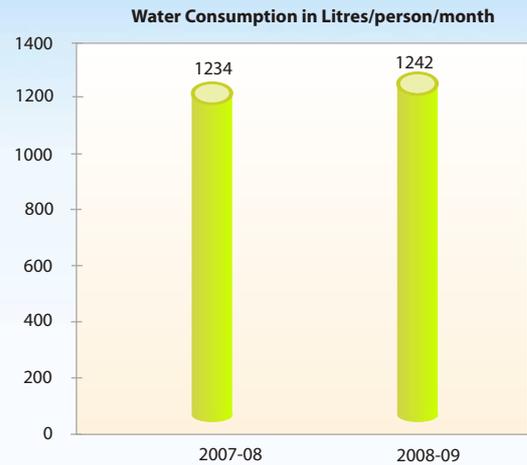


Exhibit 3.10: The percentage of water used from various sources in 2008-09

Water from different sources in litres/annum

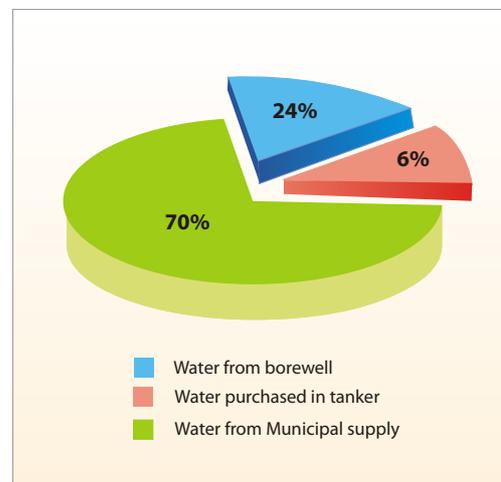
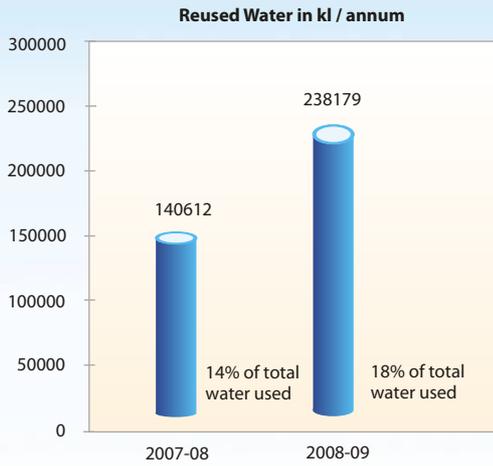


Exhibit 3.11: Total quantity of treated water which is reused within premises



Sewage treatment and reuse

Wastewater from TCS' facilities is treated in Sewage treatment plants wherever feasible. The recycled water is used for gardening, AC cooling tower make-up, and for toilet flushing. The quantity of treated water within premises has gone up by 69% and its percentage to total water consumed has increased from 14% to 18% as shown in Exhibit 3.11. The quality of treated water is regularly tested to ensure compliance to the standards set by the Central / State Pollution Control Board.

Rain water harvesting

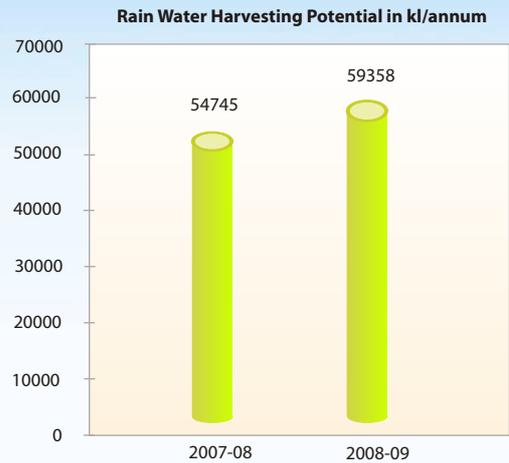
Rainwater harvesting, is essential to ensure sustainable water availability round the year.

Groundwater recharging is done at our facilities through percolation pits / bore well recharging / storage tanks / artificial lakes, with the most feasible option chosen for a site. Percolation pits are mainly used to allow rainwater to flow from the roof top to recharge the aquifer, or bore well or storage tank.

The artificial lake at our Synergy Park campus, Hyderabad, besides being used to store rainwater and replenish groundwater, is a picturesque landscape element that adds on to the beauty of the campus.

The potential for rainwater harvesting has increased by 8.4% (only rooftop rainwater harvesting potential) as illustrated in Exhibit 3.12

Exhibit 3.12: Potential for rainwater harvesting



Rain Water Harvesting & Recharge at Yantra Park- Thane

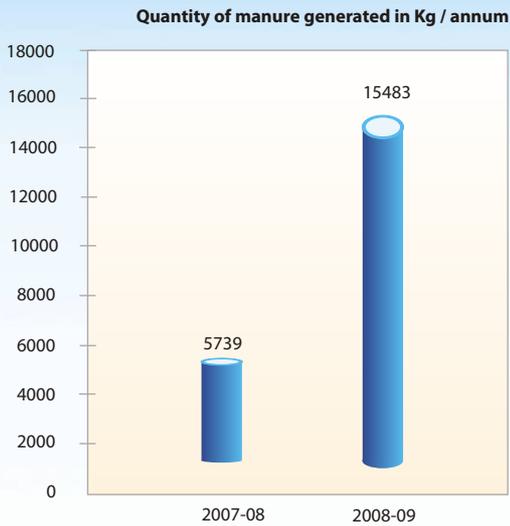


Rain Water Harvesting & Recharge at Rajashree office -Pune



Artificial lake for rainwater harvesting at Synergy Park, Hyderabad

Exhibit 3.13: Quantity of manure generated



Bio composting at Banyan Park- Mumbai



Waste Management

The waste materials generated from our facilities include dry waste, wet waste, E- waste and minor quantity of hazardous waste like waste lube oil. Waste management and disposal is done as per regulatory norms and where such norms do not exist, in a manner that minimizes the impact on the environment.

Waste segregation and quantification is carried out to the best possible extent. The hierarchy for disposal of wet waste (biodegradable) is biogas recovery through bio digesters (methane avoidance) followed by vermicomposting, disposal as feed to piggeries and, as a last resort, to municipal collection system where no other options are feasible. The manure generated through bio digesters and vermicomposting plants is reused within the facility garden.

The per capita per month generation of wet and dry waste in the year are 9 Kg and 5 Kg, respectively. The reuse option is used for food waste (garden waste in some cases) and treated sewage. Over a period of two years, vermicomposting units have been set up at 11 centres and the total quantity of compost produced at the vermicomposting / bio digester plants in TCS premises is around 15 tonnes as shown in Exhibit 3.13.

Currently, two bio digester plants have been installed in TCS' premises at Pune and Thane in Maharashtra state. The plant at Mangaldas Road, Pune, is a pilot-scale one for digesting 5 Kg of food waste per day. The gas generated by this plant has helped to reduce LPG consumption at the center from 76 Kg/month to 32 Kg/ month. The biogas plant at Yantra Park, Thane, digests about 1 ton of food waste per day. Based on the 'Nisargruna' technology, developed and patented by Bhabha Atomic Research Centre (BARC), the plant is designed to generate about 28 Kg/day of cooking gas, which substitutes the LPG used in the kitchen to some extent. The biogas is

transported to the kitchen through a gas balloon due to the unavailability of a pipeline between the biogas plant and the kitchen. At both the locations, the organic manure, a by-product, is used in the gardens. Plans are underway to install bio digesters at Hyderabad, Chennai and Kolkata.

E-waste

The IT industry is perceived as one of the largest generators of e-waste, which includes personal computers, servers and allied hardware. All e-waste disposal is carried out strictly as per our E-waste Management Policy through government authorized e-waste handlers and recyclers. The policy is in line with the WEEE directives and the E-waste guidelines issued by the Ministry of Environment and Forest. It emphasizes the way TCS handles and disposes outdated equipment, procures new electronic equipment along with its usage pattern. In 2008-09, 5483 pieces of equipment from all centers was disposed to authorized handlers / recyclers; thereby, enabling us to achieve our target of 100% disposal of e-waste in an environment friendly manner. Besides, we donate unused computers to government schools and ensure that these computers are discarded in an environmentally acceptable manner after they reach the end-of-life.

Other waste

- Dry waste such as paper is sent for recycling while plastic and metal waste is sold to scrap dealers who send it for recycling.
- Hazardous wastes like waste lubricating oil is disposed from all facilities through government authorized vendors. Similarly, used lead acid batteries are returned to the manufacturers through a buy-back scheme. About 21240 liters of waste lube oil and 2755 numbers of lead acid batteries were disposed in 2008-09.

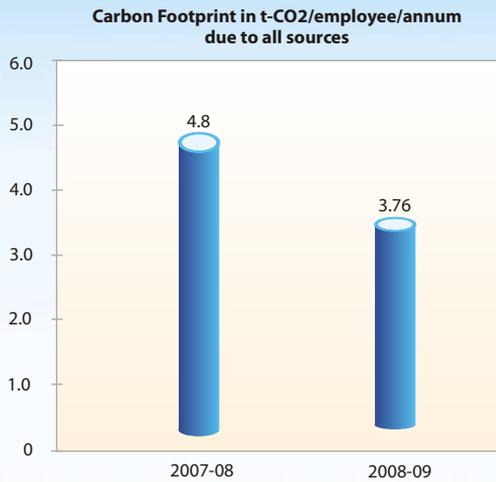


Biogas plant at Yantra Park -Thane



Biogas plant at Mangaldas Road-Pune

Exhibit 3.14: Carbon footprint due to all sources



Carbon Foot print

The overall reduction in carbon footprint this year has been 22.40 % as is shown in Exhibit 3.14. In our business, electricity consumption and employee business travel are the chief contributors to the carbon footprint. We have achieved a 14.3% reduction in carbon footprint by reducing electricity consumption alone (purchased + DG generated electricity) as shown in Exhibit 3.15. This was made possible because of the various measures we implemented to promote efficient use of energy as described in the earlier sections.

Until 2007-2008, TCS had used the Defra (UK) guidelines to estimate CO₂ emissions. This year, however, the CO₂ emissions are estimated as per the GHG Protocol. Therefore, emissions for 2007-2008 were recalculated as per the GHG Protocol to compare them with those of 2008-2009

In accordance with the GHG Protocol guidelines, the emissions are reported for:

Scope 1: DG and transport fuel, R-22 gas (fugitive) emissions and LPG combustion

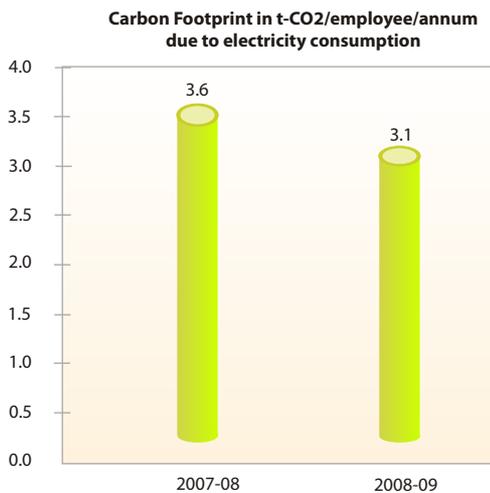
Scope 2: Purchased Electricity

Scope 3: Employee travel (domestic and international)

Under the various scopes the percentage and quantity of greenhouse gas emissions in tones of CO₂-eq per annum is depicted in Exhibit 3.16.

The quantity of emissions of ozone depleting substances like R-22, R 407C, R11 & R134a, this year is given in Exhibit 3.17. The quantity of other emissions like NO_x and SO_x is listed in Exhibit 3.18.

Exhibit 3.15: Carbon footprint due to electricity consumption



In 2008-2009, employee travel contributed to 15% of our carbon footprint. We have encouraged the use of video and audio conferencing and Webex facilities. This year the use of audio and video conference has more than doubled compared with last year, which has helped significantly to bring down our carbon footprint due to employee travel by 50%.

As TCS is an organization with more than 88000 employees, spread over 70 facilities in India, many employees use personal transportation for commuting, thus making it a very challenging task to track and capture the CO₂-eq emission due to employee commuting from a reliable source.

As a voluntary initiative, associates have undertaken car pooling at our locations in Delhi, Chennai and Pune. The initiative, run through internal portals where associates can register and enroll for carpooling, is supported by the organization with assured parking in the office parking lots. Car and bike pooling not only helps associates save money and effort, but is also useful in reducing vehicular pollution, traffic congestion, fuel consumption, and the carbon footprint

Exhibit 3.16: Contribution of various sources to carbon emission in T-CO₂-eq per annum

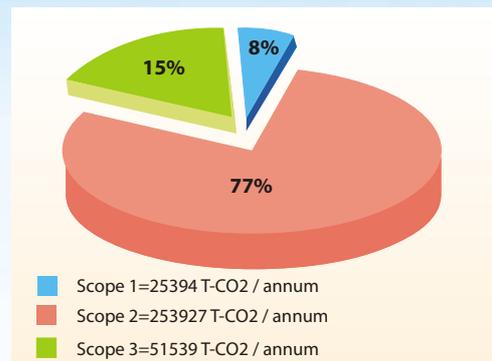


Exhibit 3.17: Emission of Ozone Depleting substances

Refrigerant gas emissions in tonnes/Annum	
R22,	3.58
R 407 C	0.02
R11	0.21
R134a	0
Total	3.79
* The R11 equivalent (ODP) of the total emissions is 0.396 tonnes/annum	

Exhibit 3.18: Other significant air emissions

Other emissions in tonnes/Annum	
Nox	423
SOx	3.45

Environmental Awareness & Employee Engagement

TCS' Environmental Policy aims to create greater awareness among employees on pressing issues like pollution, deforestation, global warming, and depletion of non-renewable resources, as well as on the factors contributing to environmental pollution in the IT industry.

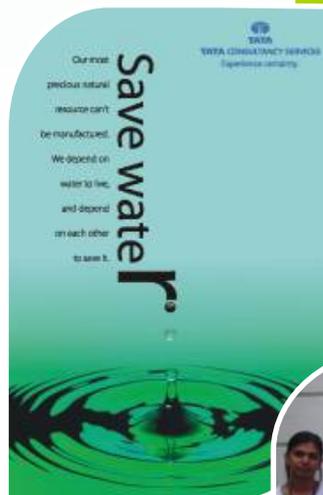
Recruits undergo mandatory induction training on TCS' Environmental Policy during the Initial Learning Program (ILP). As part of the ongoing environmental awareness initiatives, we organize refresher training, conduct instructor led and web-based trainings (WBTs), screen movies, arrange floor meetings, hold environmental awareness week, display posters and wallpapers and send mailers on the environment, and provide eco-footprint and carbon-footprint calculators on our Intranet. The number of associates trained in health, safety and environment topics has risen considerably. Last year, the number of associates and contractors who underwent the classroom and web based training on environment exceeded 35000.

At the societal level, TCS Maitree—an internal voluntary function—through its volunteers from among the associates and their families has been spearheading several awareness campaigns related to environment, wild life, and occupational health and safety.

The passion for Environmental Sustainability among our associates led to the formal launch of the TCS Maitree Ecology Club in February 2009. Currently, more than 200 associates are members of this club and some of its major projects include organizing awareness campaigns, nature trails, plantation drives, cleanliness drives, eco-related international days, and taking up internal and external water body management initiatives.

This year, TCS Maitree's Kids for the Tiger Program saw participation from around 6.5 lakh students and 1000 teachers from 1407 schools across 13 locations, namely, Mumbai, Delhi, Bangalore, Kolkata, Hyderabad, Chennai, Pune, Amravati, Akola, Nagpur, Dehradun, Ramnagar and Sawai Madhopur. Nature trails, tiger fest, workshops for teachers and volunteers, camps, and audio-video shows were organized under the program.

For the Earth Day celebrations on 26th April 09, TCS Maitree volunteers including 25 members from the senior management, 1200 associates and their families spent the entire day at the Sanjay Gandhi National Park in a Mumbai suburb. They enthusiastically participated in tree plantation, construction of bunds, check dams, and in removing garbage including polythene bags from the park. The effort was aimed at creating awareness of conserving protected areas.



Biodiversity Enhancement & Management at TCS facilities

Biodiversity Action Plan involves protecting the native plant species, minimizing the felling of trees, transplanting trees to preserve the region's flora and fauna. The section describes the biodiversity status of some of our campuses.

Flora @ TCS

Most of our campuses have a rich green cover that is preserved and maintained through several in-house initiatives. The flora comprises indigenous plant species with significant ecological value such as fruit, timber, medicinal value and green cover.

Taxonomically, the flora in TCS campuses is of 196 plant species belonging to 123 genera and 98 families. Based on life forms, the flora is classified as trees, shrubs, herbs, grasses, climbers, epiphytes, ferns, fungi and bamboo.

Fauna @ TCS

A total of 114 species of animals including birds, butterflies, mammals, and amphibians have been spotted in the campuses across the country. The native plants and trees in the campuses act as major roosting, feeding and nesting sites for birds and butterflies.



Medicinal Trees at Pune -Rajashree



Nesting sites for birds at Yantra Park -Thane



View of Ducks at Deccan Park -HYD

Biodiversity Action Plan

Under the Biodiversity Action Plan, we have taken up conservation programs such as Greening the office, Environmental conservation, Bird habitat improvement, Conserving snakes and bat colonies, among others.

- Greening the Office Program includes landscaping, gardening, planting ornamental or aromatic species, or fruit bearing trees. The program also includes beautifying the office with indoor plants as well as terrace and balcony gardening for a verdant cover.
- Environmental Conservation Program aims to safeguard native plant species, ensure transplantation of trees against cutting them during construction activity, plant medicinal species, conserve snake and bat colonies in our facilities.
- TCS also sponsors plantation of road medianstrip, traffic islands, and gardens under the local municipal corporations in India. Bio-fertilizers and recycled water is used to maintain landscapes while use of insecticides and pesticides is minimized in our gardens.



View of landscaping at Serureri Chennai



View of nature habitat at Deccan Park-HYD



View of landscaping at Deccan Park-HYD

Case Study 1

The Nest Boxes were occupied by Common Myna



Success of Bird Habitat Improvement Program at Yantra Park, Thane

The Bird Habitat Improvement program at Yantra Park and Banyan Park facility.

The Bird Habitat Improvement Program is implemented for conservation of depleting native bird population in urban areas. It is implemented at Yantra Park on a pilot basis. It includes provision of shelter in the form of 10 number of species-specific nest boxes, 6 Grain feeders as a permanent source of food and 5 water baths as permanent source of water for birds in campus.

This program was a great success. There was 100 % occupancy of nest boxes by Common Myna (*Acridotheres tristis*). The grain feeders and water baths were also extensively used by birds.

Sparrow Feeds



This program was replicated at Banyan Park by implementing 11 nest boxes 6 feeders and 6 water baths.

Case Study 2

Conservation of Bat Colonies at Banyan Park, Mumbai

The Indian Flying Fox "*Pteropus giganteus*" is one of the largest bats in the world. The population of bats is declining at alarming rates in urban areas due to various threats related to urbanization. It is the largest bat colony of Mumbai. It consists of 2500 - 3000 individuals during winter while 6000 – 8000 individuals during summer.

Banyan Park is a paradise for bats due to the presence of well grown traditional, native plant species as a roosting habitat, dominance of fruit bearing trees as a permanent source of fruit, presence of ornamental plants as a source of flower & nectar. Being a closed area with least disturbance the campus provides full protection against hunting or killing.

Conservation Measures are taken by means of protection and enhancement of their habitat through minimum cutting / felling of trees during construction period, enhancement of habitat through implementation of plantation drives i.e. plantation of fruit, ornamental & shed trees.



Bat Colony on Palm Tree April 2009
at Banyan park



Bat Colony on Tamarindus indica during
April 2009 at Banyan park

Case Study 3

Conservation of Natural Habitat at Chennai and Hyderabad

At TCS' Shollinganullur facility in Chennai and at Deccan Park in Hyderabad, we have set up a green house and nursery to nurture plants of ornamental, fruit, aromatic and medicinal value. Deccan Park also has a Nature Habitat.

Green House at Sholliganullur, Chennai and Deccan Park, Hyderabad









LABOUR PRACTICES

From the Desk of VP and Head, Global Human Resources



As TCS now scales up beyond 140,000 professionals, we are looking at creating a highly motivated and energized workforce through various initiatives to fuel our next phase of growth. Improved performance management system aligned to roles and goals; focused career development programme for High Potentials; programmes to encourage diversity and inclusion in our workforce, particularly women; tools like IdeaMax and IdeaStorm to capitalise on diverse Ideas, cultures & thinking, are some of the key initiatives.

The macro-economic environment in FY09 has been the most challenging in recent times. Today, organizations are competing in dynamic times where unpredictability is the order of the day. Innovation, flexibility and agility in every single HR process from talent acquisition, learning and development to talent management have allowed TCS to respond effectively in this uncertain environment.

In FY09, we recruited, trained and integrated over 48,000 professionals, including over 22,000 campus graduates from premier institutes. Through our Ignite program we continue to demonstrate our commitment to inclusive growth by recruiting, training and deploying over nine hundred science graduates - 60% of whom are first generation graduates.

Our ability to offer a global aspiration-driven career; unique learning opportunities; experience across multiple technologies and roles through job rotations and work-life balance has helped us remain an employer of choice. TCS continues to sustain one of the highest employee retention rates in the IT industry.

TCS has inherited a strong set of values from the Tata Group and is committed to conducting its business in an Ethical manner demonstrating strong Corporate Governance. As a global organization, present in over 40 countries, we take utmost care and have developed strong processes to ensure our compliance to regulatory requirements including the labor laws of the countries where we operate.

Driven by its core values and strong belief in being a socially responsible organization, TCS has undertaken a number of initiatives in its chosen sphere of involvement namely Education, Health and Environment. TCS uses a number of channels to drive these initiatives and the primary one being its own employees who volunteer their time, effort and knowledge towards these causes.

Our endeavor is to use our core competence i.e. technology to solve some of these societal problems. Our employees also participate in the CS programs undertaken by our customers, globally.

TCS Maitree, an extended arm of HR, drives the employee engagement programs and provides a platform to our employees to engage in CS initiatives. Around 15,000 TCSers across the globe volunteered and contributed over 50,000 man-hours in FY09 towards these initiatives.

Our investments in building tomorrow's talent today will continue to be our competitive differentiator. Our people practices and the culture of the organization where "Respect for the Individual" is one of its core values, make working in TCS a rewarding experience for all employees and help them to uphold TCS' commitment of "Experience Certainty" to our customers globally. We will continue to promote, encourage and facilitate our employees' participation in various community development programs to give them a sense of satisfaction which only such acts can provide.

Ajoyendra Mukherjee

VP and Head, Global Human Resources

Labour Practices Strategy and Management Approach

TCS' growing workforce comprises a skilled talent pool of all ages, across various nationalities and educational qualifications. A total of 8.3 % of our people are international employees and about 30% of our employees are women.

We address the specific requirements of these employee segments through appropriate special approaches. Our job diversity comes from the requirements of our diverse customer profile, the varied breadth and depth of offerings (the widest amongst all our competitors), the definition of our roles and responsibilities, and the design of our organizational structure. It is this richness that enables us to provide the most innovative and best-in-class services to our customers. We also use the services of contract employees called Business Associates (BAs) to supplement our own employee strength; they make up for about 3% of our workforce (reduced from 5% last year). The BAs form a part of the regular project teams and follow all the processes applicable to our permanent employees.

Employee Health and Safety

Occupational Health and Safety

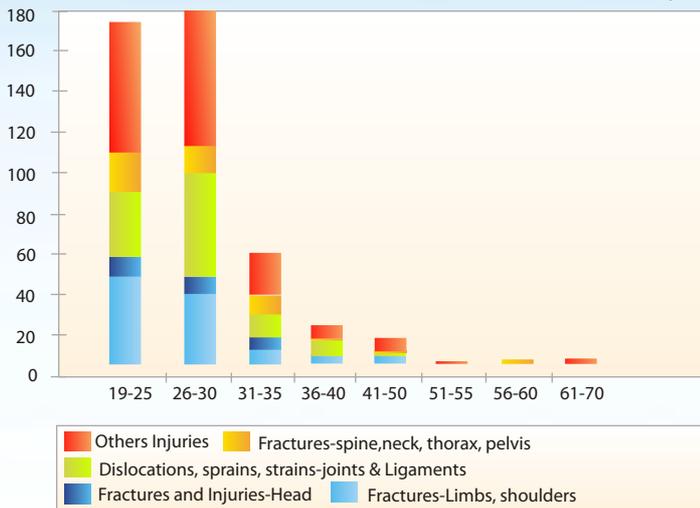
We are committed to implementing an Occupational Health and Safety Management System (OHSMS) as part of the Occupational Risk Management strategy. We endeavor to identify and control health and safety risks, reduce the potential for accidents, aid legislative compliance, and improve our overall Occupational Health and Safety performance.

For Health and Safety arrangements (H&S), The HSE committee at each delivery center has representatives from all departments to drive the occupational health and safety initiatives. Inputs are sought from contractor representatives during risk assessments of their activities and for devising H&S measures for them.

Role-based OH&S competency mapping for associates and contractors is defined; the assessment is carried out by the center HR to identify the gaps, according to which the yearly training plan is rolled out. Training is conducted through classroom sessions; web based training sessions, webex training sessions, and floor walks. A total of 15,455 TCS associates have successfully completed the web based mandatory training session until the end of March 09. Similarly, training for contractors through classroom sessions and tool-box talks is underway and is expected to be completed by March 2010.

Even as we manage our occupational health and safety issues through a management system aligned with internationally recognized management system standards such as OHSAS 18001-2007, our objective is to achieve enterprise-wide certification for integrated HSE Management Systems (ISO 14001:2004 and OHSAS 18001:2007, which will be jointly known as HSEMS) by March 2010. The certification will be achieved by integrating HSEMS with TCS' Integrated Quality Management System (iQMS) to make HSEMS integral to our business process and strategy.

Exhibit 4.1: Age group-wise Injuries requiring hospitalisation



Occupational injuries and accidents are negligible given our office-based work environment. The occupational illnesses solely owing to occupational factors are rather low.

Exhibit 4.1: The graph presents illnesses likely to have an occupational origin or precipitating factors resulting in hospitalization.

Exhibit 4.2: Hospitalisation and Non hospitalisation per 100 employee 2008-09

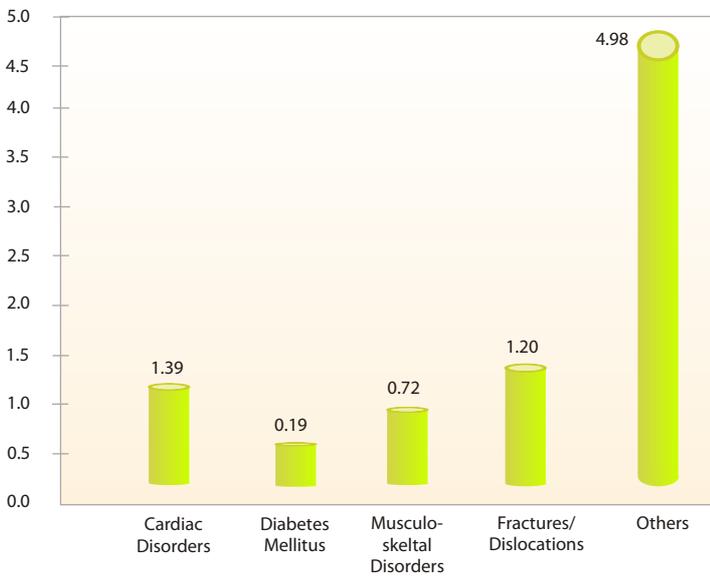
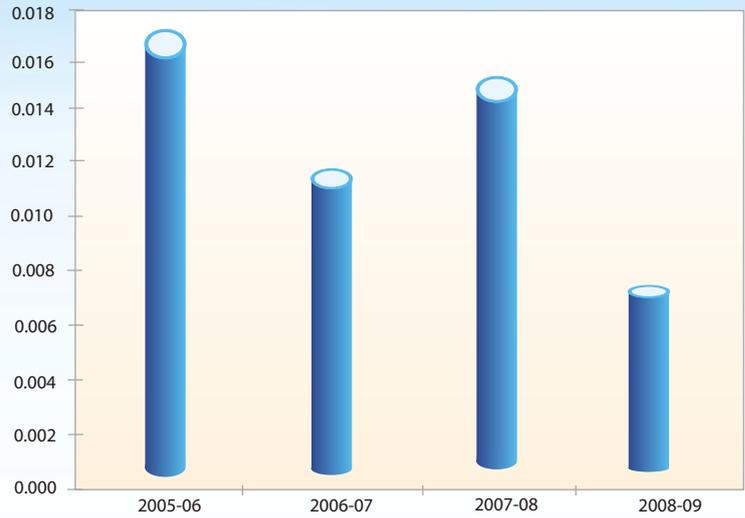


Exhibit 4.2: shows the number of hospitalization and non-hospitalization injuries / illness per 100 employees. The current data capture process does not permit the segregation of occupational illness and non-occupational illness. To overcome this, TCS developed an on-line reporting tool, which will capture organization-wide data for occupational incidents and illness, investigating major incidents, ascertaining the root cause and taking corrective and preventive actions. This tool is presently in the testing mode and expected to be deployed by end of the calendar year.

Exhibit 4.3: Shows the Accidental death statistics. There is a considerable reduction in the accidental deaths compared with previous years, which have been due to unfortunate accidents outside our premises – chiefly road accidents. Though TCS does not have direct control or influence over such unfortunate incidents, the need to create awareness and promote safe behavior among associates within and outside the workplace is acutely felt, and we have already started creating awareness through internal communication channels.

Exhibit 4.3: Number of Accidental Deaths per 100 employees



HSE Management at TCS construction sites

Besides the safety officer appointed by the project management consultants and individual contractors, TCS has appointed safety officers to supervise and coordinate all safety activities at the site.

Appropriate amenities and sanitary facilities like water supply, drainage, healthcare, and human waste disposal facilities have been provided at the site labor camps. Regular workplace audits including comprehensive inspection of permits system, construction equipment (lifting tools, electrical equipment) and walkways is conducted as part of the safety management system. Requisite measures are taken to ensure compliance with legal and other statutory stipulations with respect to the safety management system. Moreover, the civic body of an area and TCS conduct joint Health, Safety and Environment inspections to ensure that we continue to comply with all civic and statutory requirements. Penalties are levied for non-compliance, if any.

Safety-related awareness among Construction staff is fostered by observing safety week, safety competition, talks and film-shows on safety, creating posters, and such other initiatives. Using PPEs, safety nets (where required), body harness, and lifeline while performing work at heights, as well as issuing work permit for all hot work, is mandatory.

TCS has allocated a separate budget to implement the best HSE practices at sites with zero incidents or accidents.

Construction Safety Performance

Currently, three projects are under construction at Chennai, Mumbai, and Hyderabad. Construction safety performance is monitored for key performance indicators like lost time, number of fatalities, reportable accidents, injuries, fires, first aid injuries, and near-misses. This is presented in the Exhibit 4.4. Following stringent enforcement of safety practices, no fatalities were reported during the financial year 08-09.

Exhibit 4.4: Construction Safety Performance

Key Performance Indicator	Value
Total Person hours	13,561,871
Lost Time in Person hours	424
Percentage of Lost Person hours of Total Person hours Worked	0.38
Fatalities	0
Reportable Accidents*	1
Minor Injuries	3
First-Aid Injuries	349
Fires	0
Near Misses	17

* Lost Time more than 48 hours

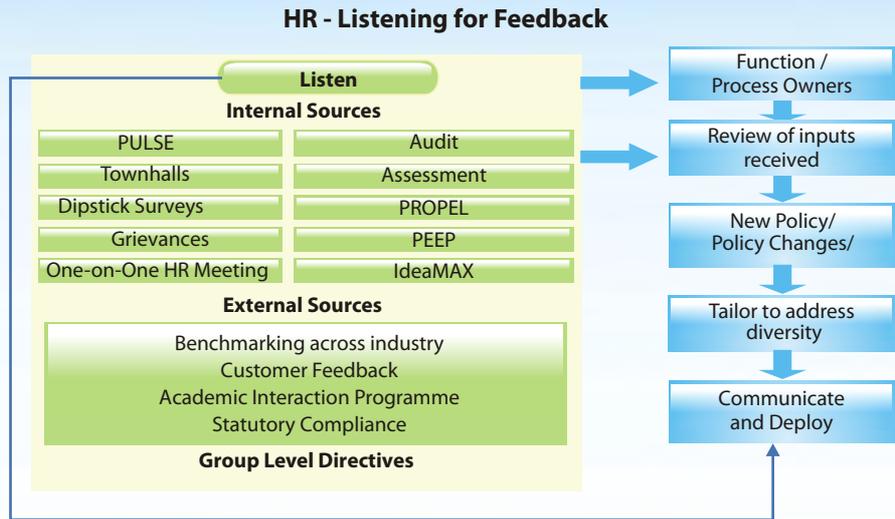
Exhibit 4.5: Wellness Initiatives in TCS



Various other health talks and Medical sessions taken during the year 08-09 are on Eye care, Cancer Awareness, Anti Tobacco, Ayurveda Camps, Fitness Camp and General Health Checkup etc

Employee Engagement and Awareness

Exhibit 4.6: Internal and External Feedback Mechanism



Employee inputs are solicited through the company’s annual survey called PULSE, which is conducted through our portal Ultimatix. Opinion polls, Proactive Employee Engagement Program (PEEP), open-house sessions, Process Improvement Proposals (PIPs), grievance mechanisms, and exit interviews are some other mechanisms to elicit feedback from employees. Cross-Functional Teams (CFTs) of local Admin and HR are deployed for seeking employee feedback. Some channels of listening to the voice of employees in TCS are:

PULSE: PULSE measures and understands associates’ attitude, opinions, motivation, aspirations, and satisfaction. Through PULSE, TCS ‘listens’ to the associates and carves appropriate action plans for improvement in the various areas. The steady rise in the Associate Satisfaction Index (through PULSE) is an indication of TCS’ culture and care for the associates.

Speak Up: Speak Up is a platform for employees to discuss pertinent matters with the seniors; thereby, developing good channels of communication between employees and the company's top executives.

 **Justask** : This is a social Question and Answer platform for the enterprise. Using this facility, employees can ask, answer, and discover questions and answers in a social and participatory ecosystem.

CTO Blog: This is a conversational platform for TCSers to learn and explore topics of interest related to technology where employees can author, comment, and engage in discussion with the CTO and amongst themselves.

Global Certainty Idea Storm: Hosted on Ultimatix in 2007, the Global Certainty Idea Storm was the first collective and interactive online ideation event in TCS. It sought to create a pool of innovative ideas within TCS by tapping brains across all levels of the organization.

The bright and innovative ideas were recognized through a reward and recognition mechanism. This event also demonstrated the commitment of TCS' senior management to 'listen, evaluate, and act' based on the responses.

Grievance Redress System: Employee grievances are logged through a centralized grievance redress system. Branch Grievance Coordinators and the Corporate Grievance Process Lead perform weekly and monthly reviews to ensure quality grievance resolution by the Human Resources team within the specified timeframe. Ethics Counselors at regional and corporate levels also play a key role in handling sensitive grievances.



Stress Management Program
at Rajashree Pune



Process Improvement Proposals: Employees can log PIPs through a link in Ultimatix. To encourage employee participation in this endeavor, the 'Best PIP' award is given annually.

PEEP – Mentoring: PEEP is a mentoring initiative in which employees connect one-on-one with TCS' senior management.

Stress Management: At TCS, initiatives such as Fun@Work—under which picnics, parties, and fun and games are organized for TCSers and their families—provide a welcome break from the daily monotony. During the work week, employees can avail of the gym facility, yoga and meditation sessions, and talks by experts on health and other issues. These initiatives go a long way in maintaining a healthy work-life balance.

Propel: Propel, covering all employees in TCS, is a forum to discuss issues and ideas at the inception level itself. Camps and confluences are conducted for problem solving, discovering new ideas, initiating dialogue and reflection and form a platform for learning, interacting, and solving problems.

Full-time TCS employees avail of many welfare benefits. Below are to name a few:

- Interest subsidy on housing loans,
- Emergency medical assistance,
- Cashless hospitalization benefits,
- In-house doctors and psychiatrists,
- Retirement benefits,
- Transportation,
- Canteen facilities,
- Family events (picnic, treks, cultural events),
- On premise bank extension counters/ATMs,
- Concierge facilities,
- Helpdesk facilities,
- Flexible working hours,
- Assistance in school admissions,

- Holiday homes,
- Tata Welfare Trust,
- Overseas travel reimbursement for presenting papers at international forums and seminars, financial assistance for higher education, and
- Maternity leave for adoption.

Through the Bouquet of Benefits option, we give our employees the flexibility to choose the right mix of benefits to meet their specific needs. To recognize long periods of service, employees receive rewards and recognition after pre-defined periods of service.

TCS also provides retirement benefits to all full-time employees as below:

- Provident Fund (on which loans are permitted).
- Pension Fund – All employees are covered under the provisions of the Employees Pension Scheme. Benefits of the scheme are extended to the members after completion of 10 years of service.
- Gratuity: An employee will be eligible for payment of gratuity either as per the payment of Gratuity Act, 1972, or as per the Company's Gratuity scheme, whichever is higher, at the time of resignation/retirement.
- Superannuation Fund.
- Paid vacations before retirement: All employees of TCS India who have served TCS or any of our group companies for a period of 5 years and above, and who are due to retire from service in 6 months or less are entitled to 7 days fully paid vacation (including air transport, lodging, food, and actuals) at a company guest house of their choice.
- Entitlement to continue on Medical Insurance scheme.

*** For Indian employees only**

The notice period for operational changes is dependent on the customer needs and is as per business requirements and is more situational driven.

Total workforce by employment type, employment contract, and region

Exhibit 4.7: Associate Distribution by Age

Associate Distribution by Age	FY09
< 1 Yr	19.67%
>= 1 Yr and < 3 Yrs	26.53%
>= 3 Yrs and < 5 Yrs	24.41%
>= 5 Yrs and < 10 Yrs	20.70%
>= 10 Yrs	8.69%

Exhibit 4.8: Benefit Scheme for Indian Employee
 For India employees, TCS' contribution to different benefit schemes is as follow

Country	Retirement Benefits	Type	Employer Contribution
India	Provident Fund	Defined contribution plan	12%
India	Superannuation	Defined contribution plan	15%
India	Gratuity	Defined benefit plan	NA
USA	401K	Defined contribution plan	100% match on the first 3% of employee contribution and 50% match on the next 2% of employee contribution
UK	Pensions	Defined contribution, Defined Benefits	TCS directly hired emps- 4% of Base Pay TUPE d emps- 6%-25% of base pay

Total number and rate of employee turnover by age group, gender, and region

Exhibit 4.9: Attrition rate for the year 2008-09

Attrition rate	11.4%
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Exhibit 4.10: Comparison between Years of Experience and Attrition % - Global

Yrs of Exp	<1 yr	1 - 3 yrs	3 - 5 yrs	5 - 10 yrs	> 10 Yrs
% Attrition	29.03%	42.07%	16.07%	8.08%	2.05%

Exhibit 4.11: Gender wise Attrition % - Global

Gender	Female	Male
% Attrition	68.06%	31.04%

Exhibit 4.12: Associate Distribution by Employment Type

Exhibit 4.4 :: Associate Distribution By Employment Type					
	2004/05	2005/06	2006/07	2007/08	2008 / 09
Number of full time equivalent employees	40,992	62,832	85,582	107,698	126,150
Non-Indian Nationals	3.5%	6.5%	9.6%	9.1%	8.3%
Female employees	21.6%	24.0%	26.0%	28%	30%
Attrition rate	8.0%	9.9%	11.3%	12.6%	11.4%

* The no. of contractual employees engaged throughout India are 10,650 and have been excluded from the above figures.

Exhibit 4.13: Associate Distribution Geography

Associate Distribution Geography	FY09
India	101289
Europe	1988
Asia Pacific	2487
UK & Ireland	4011
Emerging Markets	4341
North America & Canada	12034

Training and Education

Initial Learning Program (ILP)

Recruits undergo a six-week Initial Learning Program (ILP) at either the Learning & Development (L&D) facility in India or at facilities provided in other countries, catering to overseas recruitment. Some of the topics covered in ILP are Basic Computer Concepts, Introduction to Operating Systems, Programming Techniques, Business Orientation (with specific reference to TCS), Process Models, and Requirement Analysis. During ILP training, trainees are also oriented towards TCS' corporate values and principles. They are exposed to systems thinking, professional grooming, and developing good communication skills, along with training on the basics of some foreign languages. As part of this training, all employees must sign the Tata Code of Conduct to indicate their awareness of its principles and the expectations set. Freshers can opt for specialization in any of the following technology areas. Net technology, Mainframe, Unix/C++, J2EE, BI/PM, PL/SQL, and others.

Continuous Learning Program (CLP)

Following on from the ILP is the Continuous Learning Program (CLP) that updates the employees' training as they progress through the organization. The CLP addresses technology and domain type training plus management and leadership development programs and diversity management programs.

Leadership Development Program (LDP)

There is also the Leadership Development Program (LDP) which has several modules intended for leadership development.

We achieve our strategic learning objectives through deployment of action plans. iCALMS (integrated Competency and Learning Management System) is a repository of all role profiles, competency requirements, and learning programs.

The Learning and Development (L&D) group addresses the learning needs of all employees, including managerial and leadership development programs. Topics such as diversity, ethical business

practices, workplace safety, and security are covered during organizational induction training on an ongoing basis. ISO 14000 and ISO 27001 awareness and fire drill training help employees to ensure their own safety and that of their workplace.

Investing in our people is the key to the sustainability of our delivery model, so fostering a culture of learning throughout an employee's career is an important aspect of this model. The L&D center at Thiruvananthapuram, India, was established in 1998 to cater to TCS' training requirements. To keep pace with the increasing numbers of trainees, we have extended ILP facilities in Coimbatore, Guwahati, Hyderabad, Gandhinagar, and Bhubaneswar. Training and development needs are identified during the mandatory half-yearly career development sessions, which form part of the performance management exercise. These sessions play an important role in capturing aspirational future roles of an individual and charting out development road map using iCALMS. High performance management closure rate of 85% is an evidence of how seriously these career development sessions are taken. All new employees, in the first year of their employment, receive quarterly reviews. At the end of every assignment, employees may also receive formal project-end reviews. A total of 85% of employees have closed the performance in career development reviews in consensus with Management.

For FY 2008-09, TCS has invested 12,847.5 person days effort for employee training on policies and procedures concerning aspects of human rights that are relevant to our operations.

On Ultimatix, a section is devoted to the education and training of employees on health care. Every month, this section covers topics such as fitness, diet related nutrition facts, and articles on stress management. The portal is chosen to disseminate knowledge and dispel myths (communication on preventive and remedial measures for the H1N1, SARS and bird flu outbreaks); email is also used to propagate dos and don'ts messages. Besides, workshops are conducted to spread socially useful information. In 2007, Maitree started the 'HIV/AIDS Sensitization Drive' in Mumbai.

Exhibit 4.14: Average hours of training per year per employee by employee category

Level	No. of Participant - FY 09	No. of Learning Days -FY 09
Junior Management	50,763	50,763
Middle Management	16,402	21,875
Senior Management	1,277	3,156
Total	68,442	75,355

Exhibit 4.15: Programs for skills management and lifelong learning that support continued employability and assist employees in managing career endings.

Initial and Continuous Learning Effort in Days	Learning Effort for FY 09							
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
ILP Effort Investment - Person Days ('000)	120	102.1	158	335.7	415.9	496.5	670.5	860.3
CLP - (Person Days ('000))	22.9	84.8	98.7	290.1	374.3	461.3	770.3	784.6

Exhibit 4.16: Managerial Skills & Leadership Development Effort

Managerial Skills & Leadership Development Effort												
FY 2008 - 09	No. of Programs				No. of Participants				Learning Effort(Days)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Competencies												
Generic Managerial Skills	327	326	375	452	10924	13715	13781	14471	6993	12437	10849	15436
Leadership Skills	155	212	198	164	2495	4702	3066	3500	3895	7726	6919	4596
Continual Learning for Business Advisor Skills	38	10	18	36	63	28	288	1409	566	1323	2519	2096
Grand Total	520	548	591	652	13482	18445	17135	19380	11454	21486	20287	22128

Diversity and Equal Opportunity

The percentage of women workforce in the Company has increased from 28% in the previous year to 30% as on March 31, 2009.

Our greatest asset is our workforce. During FY 2008-09, the company has made substantial addition to human resources. The company had a gross addition of 33,600 (previous year 35,672) employees and a net addition of 19,216 (previous year 22,116) employees primarily through recruitment and mergers and acquisitions in FY 2008-09. The total number of employees in the company as on March 31, 2009, was 126,150 (as against 107,698 as on March 31, 2008) employees. Over 10,500 non-Indian nationals are employed in TCS.

The average work experience of 54% of the workforce is more than 3 years, showing the success the company has in attracting and retaining talent. Our employees are not unionised except less than 0.1% of our total workforce. The company employed people from 67 different nationalities in the workforce. International employees aggregated to 8.3% of the total workforce as on March 31, 2009.

Being an equal opportunities employer, TCS does not discriminate between men and women. In every employee category, irrespective of seniority, the basic salary is the same for both genders.

The attrition rate for this fiscal is 11.4%, which is amongst the lowest in the industry. The second level analysis of attrition rate over the last 12 months shows that the IT attrition rate was 12% and the BPO attrition rate was 18.7%. This low attrition rate has been achieved by continuously investing in learning and development programmes for employees, focused career development programmes, competitive compensation, creating a compelling work environment, and empowering employees at all levels as well as having a structured reward and recognition mechanism.

Diversity in TCS

Case Study Crossing Barriers



...Now, working here, my world has changed. Each day I see myself as a capable professional and learn more from my colleagues that have all the patience in the world with me. I know that I do not cause them too much trouble, but they are becoming my friends and I know that I can count on them when I need it...

Rosemeire Pereira received a proposal from TATA and this is what she had to say...

I saw myself as a professional, as I always dreamed...

... I never had the opportunity, up to that moment, to see myself as a caring human being. Six months ago I started dedicating myself to helping those who needed me the most...

... It is so good to know that I could help someone, even if I am are partially visually impaired...

...I have joined TCS with a lot of courage and will, because I knew that I would get to were I am now...

...We (schooled and capable disabled people) are very sought after in the labor market, but I am here to be recognized as a professional and not simply as a crippled person, as a lot of people see us..."

César Ferreira says...

It is a huge opportunity to learn and demonstrate my effort in acquiring more knowledge each day. I made a lot of friends in this company and found people that extended me a helping hand for a new opportunity in my professional life.

I did not join the program in time to go through the capacitating course, but all of its material were given to me. I done a lot of research too and had the help of some incredible people, more specially Rodolfo Basseto and Maciel Bombonato that helped me a lot in the learning of Oracle Technologies (PL/SQL and FORMS AND REPORTS). I think that I acquired a lot of knowledge considering the time I have on TCS.

I want and I will grow professionally."



I overcame the challenge of facing a new phase in my life after so many hardships. I have proven to myself that I am capable of achieving my goals.



I got an invitation to participate in a selective process in a major IT enterprise...I was informed that the next interview would be done by a person of the hiring company, TATA Consultancy Service'. Wow! I did not even believe it, for I already was familiar with TATA's success story in Brazil and around the world, and with it's achievements in the IT area.

In that year, 2009, in the beginning of June, **Adriano Macario** saw a light at the end of the tunnel and has expressed his thoughts below...

On my way to the interview I remember thinking... will I have the guts to change jobs again? Not to mention the anxiety to know if I would make the cut to join Tata. During this interview a lot of questions were made, concerning technical knowledge and infinitude of other subjects. It was explained to me how the TCS Diversity Program works and I realized it was very serious, the opportunity was unique.

My self-esteem and professional perspectives are now as they were on that moment, very positive. In fact I was facing a unique opportunity of learning and evolving professionally. When I started working on the Delivery Center, I thought that I would find some barriers due to the fact that I had a deficiency in my right hand.

On the contrary, my manager Eduardo Silva provided equal conditions of work and equal opportunities for us all. This is of the utmost importance for the evolution of people with disabilities allocated on the Cardif Project, for only this way we see ourselves in the same conditions of the other people.

In my case, for example, I acquired an important role in the project even though I had very little time on TCS. I am responsible for the maintenance in our database servers, making me the resident DBA. This demonstrates that we are in a company that believes in our work and stimulates us towards excellence.

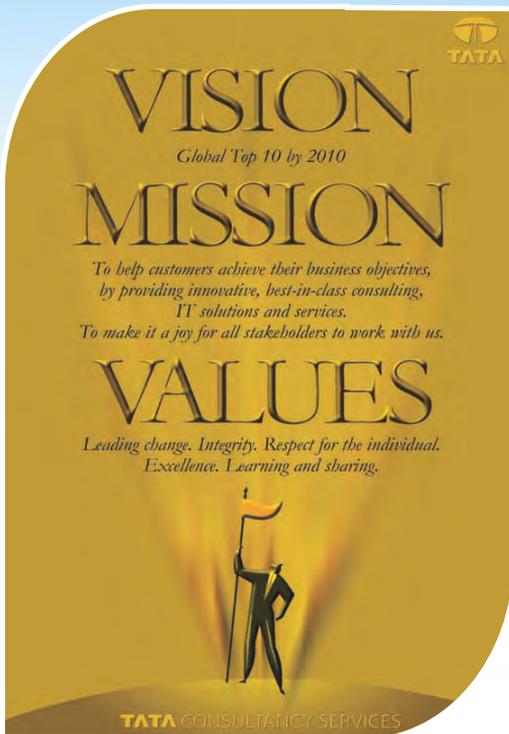






HUMAN RIGHTS

Human Rights Strategy & Management Approach



Human Rights Strategy and Management Approach

Our basic tenets reflected in our Vision, Mission and Values have been instrumental in shaping our culture over the years. At the core of our organization culture is our deeply entrenched values: Integrity, Leading Change, Excellence, Respect for the Individual, and fostering an environment of Learning and Sharing.

At TCS, all workforce activities are conducted in strict adherence to the applicable laws of the land. Human Resource (HR) managers, with the necessary qualifications and adequate knowledge of the local laws of the land, are employed in suitable positions to ensure adequate compliance. Further, on workforce activities, beyond legal compliance, we adhere to the applicable clauses of the Tata Code of Conduct that can be found at:

http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Cod eofConduct_Oct-2008.pdf

Employee Rights

As an Equal Opportunities Employer in accordance with the TCoC, TCS also lays down the code to maintain a work environment free of all forms of harassment and discrimination. TCS is among the first Indian companies to have a global policy against Sexual Harassment for our employees. Parity is maintained between salaries of male and female employees in the same grade. TCS' recruitment policy lists down explicitly that child labor must not be used for our operations. TCS does not discriminate employment based on physical disability. Ramps and special toilets are provided in all new TCS centers. TCS adheres to stringent policies laid on Forced and Compulsory Labor. Please refer to relevant clause on Corporate Citizenship of Tata Code of Conduct.

Through compliance with applicable labor laws and the Tata Code of Conduct, TCS ensures that human rights are not violated in the conduct of business.

In FY 2008-09, freedom of association and collective bargaining was not at significant risk in any of the operations. Less than 0.1% of the employees are unionized and come under the purview of collective bargaining.

The Tata Code of Conduct is shared with and explained to every employee at the time of induction and is signed off by them for acceptance. The Tata Code of Conduct is shared with customers by including references to it in the contracts, and it is shared with suppliers by including references to it in every purchase order with the suppliers.

Supplier

Sustainable development policy commitments within suppliers and subcontractors contracts:

TCS has a rigorous procedure to evaluate and select sub-contractor companies, which will provide quality resources and ensure compliance with relevant TCS policies and procedures, as applicable.

TCS follows a well-defined process to select the most appropriate sub-contractor. The committee selects the vendors after:

- Assessing the ability to recruit and retain capable and qualified professionals
- Analyzing the Business Continuity Plan (BCP) of the vendor
- Ensuring the vendor's compliance to TCS' security policy
- Reviewing previous quality system adopted in previous projects executed by the vendor
- Tracking record in terms of past performance of the vendor
- Analyzing the quality system followed by the vendor or its conformance to TCS' quality requirements and HSE Guidelines
- Analyzing the technical leadership available in the vendor organization

Based on the above evaluation, the committee arrives at a rating for a sub-contractor

Monitoring system of the sustainable development policy and/or consideration of suppliers and subcontractors certifications

- Every vendor or contractor has to be compliant with all statutory requirements.
- Compliance with all labor laws governing employment and engagement of personnel by the vendor in TCS premises is checked before the contract is finalized.
- All contracts and agreements signed by corporate admin dept are vetted by the corporate legal department
- HR department conducts a quarterly audit of all labor law compliance including Employee State Insurance Scheme.

Commitment to social standards

- Policy covering child labor.
- Policy banning forced and compulsory labor.
- Policy covering freedom of association and right to collective bargaining.
- Policy covering discrimination in the supply chain.
- Policy covering non core (ILO) human rights (e.g. working conditions, working hours).

The Tata Code of Conduct which governs all TaTa companies and to which every TCS employee is a signatory, covers issues of diversity and human rights and specifically mandates compliance with all statutory regulations.

TCS has been certified People Capability Maturity Model (PCMM) Level 5 with the assessment valid enterprise.

As a Tata Group company, we abide by the section on Corporate Citizenship of the Tata Code of Conduct.

TCS is a signatory to the UN Global compact since 2006 and abides by the principles of UN Declaration of Human Rights.

Ethics @ TCS

Ethics Committees and Counselor

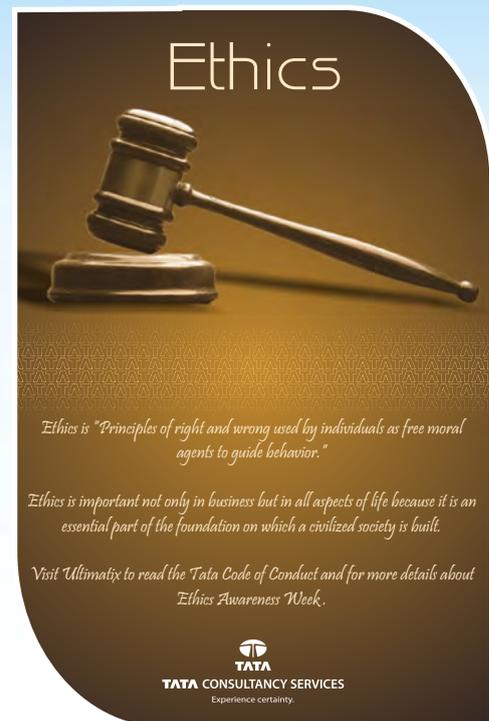
At the board level, an Ethics and Compliance Committee has been set up to ensure deployment and tracking of the Tata Code of Conduct (TCoC). The Corporate Ethics Counselor, Administrators of Business Ethics, and the location ethics counselors (LECs) are responsible for Management of Business Ethics at TCS. The TCoC is deployed company wide through training, company wide awareness sessions are held every year, and the LECs respond to concerns raised by associates to provide adequate guidance and investigations as needed. LECs are provided with case based training to improve their abilities to respond to TCoC concerns. The cross-functional team for Ethics and CS meet regularly to take stock of the feedback from the Tata Business Excellence Model (TBEM) assessment and Tata Quality Management Services (TQMS) assurance surveys. The management approach and deployment of TCoC is validated by the employee perception on ethics in internal associate surveys.

Concerns on TCoC & Action taken

In FY2008-09, we received 49 concerns, 80% of which were closed in less than 30 days. For 27 concerns, we imposed disciplinary actions: 8 Separations, 4 Warnings, 5 Job Changes, 10 cases of counselling.

Training to Employees and Support Groups

Training based on TCS Values and the TCoC, emphasizing on 'Respect for the Individual' is given to all TCS employees as part of their induction programme. During induction of security personnel at all branches in TCS, training is provided on inter-personal aspects. Also, use of force during security violations is prohibited.



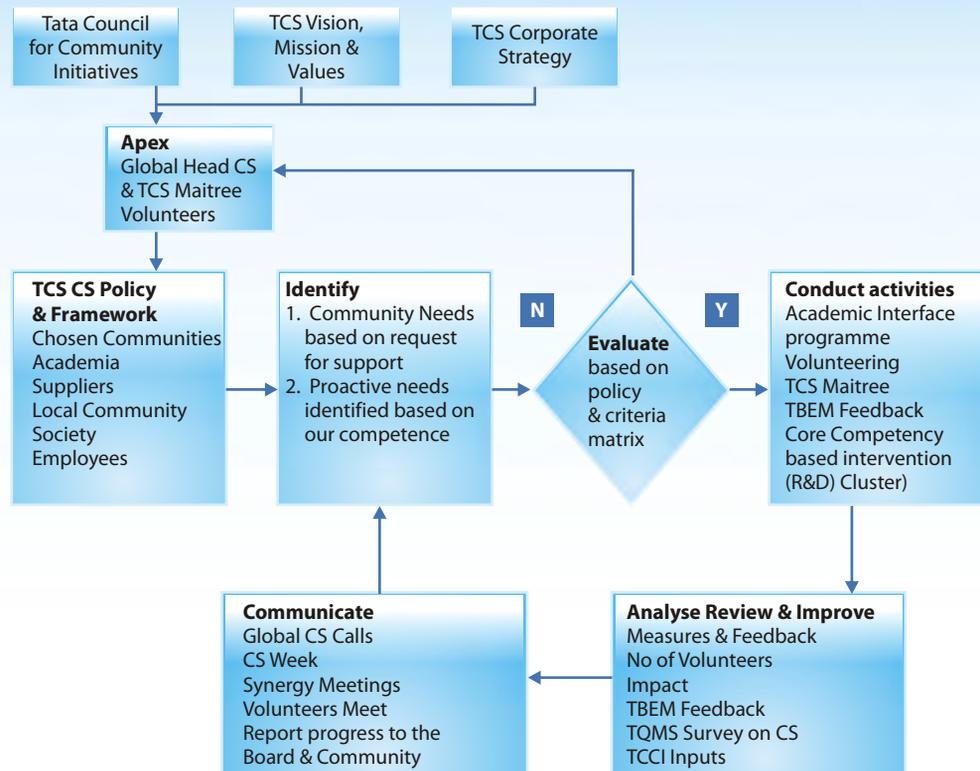




COMMUNITY

CS Strategy and Management Approach

Exhibit 6.1: Corporate Sustainability in TCS: Process



Corporate Sustainability

Areas of emphasis for the key communities are derived from individual needs of the communities and the application of our own IT core competency.

TCS has identified Environment, Education, Health, Diversity and Ethical Global sourcing as key focus areas of CS. The differentiator in TCS is volunteering through “Maitree” while TCS endeavors to address large scale societal problems through its IT core competence.

“Maitree”, the association of employees and families, reaches out through active employee participation. Maitree also contributes toward improving employee health by providing in-house doctors, organizing medical camps, and initiating programs like ‘Serenity’ stress management among employees. In addition, the Maitree platform includes music, dance, trekking and sports which helps develop team spirit and bonding within the organization.

Maitree’s village development initiative started with Waze village near Panvel; today it includes Nainar near Chennai, Chalera near Delhi, and Padmapur near Bhubhaneshwar. Activities taken up as part of this initiative include starting a children’s education program, setting up a science lab and a computer lab, creating self-employment for women by teaching them the craft of sewing , and implementing the rainwater harvesting. These village initiatives are replicable not only in other villages in India, but in the entire developing world.

On March 24, 2008, Maitree commenced an Advanced Computer Training Center for the visually impaired along with the M.N. Banajee Industrial Home for the Blind at Jogeshwari, Mumbai. The curriculum includes training in soft skills, BPO specific skills, and Infrastructure Services Training (Helpdesk). Of the more than 200 candidates who had enrolled, 32 completed the course in 2008.



TCS-MAITREE

Together - Caring & Sharing



TCS' mKrishi, mobile based agro advisory system



Rural IT Quiz 2008



Volunteers taking a session at TCS Maitree Computer Literacy Initiative, Lucknow

Our noteworthy ongoing CS initiatives in India are:

- mKrishi, the mobile based agro advisory system, enables farmers to access agriculture based advice in local languages. Using graphic and voice formats to purvey information, the system is being run on a pilot basis at three locations in Maharashtra and at one site in Uttar Pradesh before the commercial launch in mid 2009.
- TCS' mKrishi has won an India Innovation Initiative (i3) Award jointly sponsored by Agilent Technologies , the Department of Science and Technology and the industry body CII.
- InsightT, a 72-hour IT and soft skills camp for pre-university students, deploys the Case Study methodology to provide students experience with real life projects. Since 2007, InsightT has covered over 1500 students in Chennai, Coimbatore, Kochi, and Mumbai. InsightT was also conducted in January 2008 and 2009 at Sydney in Australia.
- Rural IT Quiz in collaboration with the Government of Karnataka saw a record participation of 1.2 million students from schools in rural areas in 2007 and 2008.
- The Computer-based Functional Literacy (CBFL) program has served over 1,20,000 learners in pilot studies all over India, with offerings in nine Indian languages and development of teaching in Arabic and Spanish now underway. CBFL V.2 facilitates teaching one language through the medium of another.
- Providing more powerful functionality through version 2 of the Childline application that links and monitors the 82 Childline centers in India for children in distress.

- Geo-Vun, a decision support system that graphically displays the topography of the Sanjay Gandhi National Park in North Mumbai, was handed over to the park authorities in March 2009. The system will help to check illegal encroachment, find remedial measures to control / prevent forest fires, implement measures to prevent poaching and stop plundering of forest wealth.
- Low Vision Aid, a digital image processing technique, to assist people with low vision to increase their visual acuity by increasing context sensitivity. The solution can be incorporated in set top boxes/DVDs to enhance TV viewing for the visually impaired. TCS' effort is focused on enhancing an algorithm that will be computationally inexpensive.
- —a global network based charitable organization headquartered in The Netherlands—TCS has developed a country-wise information database for both global and local advocacy and impact assessment. The organization provides social and financial education to 250,000 children in 20 countries.
- The TCS-Education World Teachers Award to honor teachers who have exhibited innovative techniques in teaching and have been an abiding inspiration to students. In 2008, the Award drew 18,000 nominations from across India.



TCS-EW Teachers Award winners- Indrani Singh from ADL Sunshine School, Jamshedpur and Nomita Roy from Basant Valley School, Gurgaon- with Mala Ramadorai

Involvement with the Community

Exhibit 6.2: Corporate Sustainability Data

	Education	Environment	Economic Empowerment	Health	Core Competency	External CS Engagements	Total
No. of Volunteers Involved	2710	1815	104	919	33	2862	8443
No. of Volunteering Hours	16752	3484	540	2746	45	2661	26228
No. of Senior Management Attended (Senior Consultant and Above)	92	44	11	134	0	201	482
No. of Beneficiaries Covered	33739	26780	769	11331	310	14068	86997

Spreading the Corporate Sustainability Initiative beyond the Shores of India

In the United Kingdom

Marketplace

- TCS led the international Marketplace review of the supply chain by taking a team of senior UK executives and government parliamentarians to business and community projects in Chennai and fed the conclusions back to HRH Prince Charles and the International marketplace leadership team to influence CEOs of 850 international companies.
- TCS is a member of the International Marketplace leadership team driving responsible and ethical best practice across the industry for customer facing and supplier facing activities
- TCS is a member of the International leadership team and Global Partnership Network to enable capacity building, best practice and driving action on the Millennium Development Goals.
- TCS is leading the corralling of Corporate Sustainability activities across the 20 Tata UK companies and its 47,000 employees.

Workplace

- TCS has been a leading participant in the Diverse Britain publication initiative
- TCS has developed comprehensive school work-placement resulting in challenging employee development



Community Champions and team for CSR activities in UK



Stepney FC - TCS Education partner



Celebrate Life sold-out concert raised £25,000 for Cancer Research

Community

- TCS has 25 Community champions and team that focus on Education, Health and Environment; they each aim to run 5 local community projects per year.
- In the UK, TCS regularly partners on social causes along with clients like AXA and Morgan Stanley, including fund-raising.

Community – Education

- TCS UK is a leading participant in the Prime Ministers Global Fellowship in collaboration with TCS China and TCS India. Twelve UK students spent Six weeks in India or China to increase understanding and feedback to 10,000 UK students on life in the global economy to raise Talent for future employment.
- TCS UK Provided structured work placement for the Wings of Hope entrepreneur scheme involving 1,400 UK students including TCS being on the judging panel in the UK's House of Lords.
- TCS supports the Stepney Football Club in East London for less privileged youth using sport to focus on healthy lifestyles. TCS has trained them in social and business skills besides organizing a Football Training tour to the Tata Football academy in Jamshedpur in early 2008 during the Tata Steel centenary.

Community – Health

- TCS employees raised £25,000 (1,921,002 INR) for blood cancer research by organizing a concert on one night only. This aligns with the £500,000 (38,420,041 INR) contribution that goes annually (managed from the UK) from the Lady Tata Memorial Trust to blood cancer research.

- Another team raised £11,000 (845,240 INR) for many charities over the year.
- 47 separate charities were supported including support for the Institute of Cancer Research by a fund raising activity achieved by a parachute sky jump challenge.

Environment

- Joint TCS & Corus presentation given at the UK-India Business Leadership seminar on Climate Change at the UK Government Parliament's House of Commons.
- TCS UK is a participant in the HRH - led May Day climate change initiative with target agreements

Through recycling TCS UK has achieved :

- 89 trees saved
- 2.4Megawatts of power
- 26 Cubic meters of landfill
- 1 metric tonne of CO2 emissions
- Laptop/office equipment recycling
- Donation of computers to local charities



The TCS Blue team marches to support American Cancer Society's Relay For Life.

In the United States

Community – Health

In the US cities of Minneapolis and Detroit, TCS has actively participated in fundraising walks for the American Cancer Society and is actively involved in the Hope Lodge initiative for Cancer survivors. In 2008, TCS received the Asia Pacific American (APAF) award for partnering with Genworth, a global financial services organization, on various networking and community events.

Community – Education

In partnership with the parent group Tata Sons and its subsidiary Tata Business Support Services, TCS has committed a three-year grant of US \$75,000 to create educational opportunities for children in the Appalachian counties of Ohio, US. In November 2008, the Foundation for Appalachian Ohio honoured the three companies as its new corporate partners.

Other Initiatives

- TCS continues to endorse the UN World Food Program's Walk of Life across Europe, as well as support the Down's syndrome Association in Singapore and Australia.
- In China, TCS is involved with the Hope School Project in Beijing, which has more than 200 students from the less privileged families.
- In Uruguay, TCS has been supporting the 'Endeavor' program since 2005, with the focus on grooming local entrepreneurs in South America.



Hope School Project in Beijing

Climate Change

- TCS is working toward combating the risks of climate change. So far, 36 of our delivery centres are ISO 14001:2004 certified by TUV NORD. With the Green Office 10-point plan underway, TCS has been taking firm steps toward carbon offsetting. For client interaction, video conferencing is promoted to cut down travel by employees to client locations. Besides, TCS is constantly conducting major environment sensitization drives amongst employees.
- TCS participates in Business in the Community UK's Corporate Responsibility Index (since 2005), the UN Global Compact (2006) and the Global Reporting Initiative (GRI) since 2007.

Inclusive Talent Development

TCS Ignite

Launched in 2007, Ignite continues to make significant strides in the areas of training, digitization, and innovation. Ignite also demonstrates the organization's commitment toward inclusive growth by hiring 60% first generation graduates.

A total of 944 science graduates from nearly 500 colleges in India and from neighboring countries like Nepal and Bhutan were trained and deployed in 2008-'09. Since the program's inception, the total number of graduates trained and deployed is 2,517.

Around 1000 Ignite trainees have enrolled for this program. The top 1% of Ignite trainees enrol for a challenging MSc Computer Science program at the Chennai Mathematical Institute.

Exhibit 6.3: IGNITE

	FY09
Location	# of Students
Andaman & Nicobar Islands	1
Andhra Pradesh	140
Assam	20
Bihar	23
Chhattisgarh	4
Delhi	21
Gujarat	9
Haryana	26
Jharkhand	44
Karnataka	47
Kerala	55
Madhya Pradesh	28
Maharashtra	165
Meghalaya	1
Nepal	2
New Delhi	21
Orissa	19
Pondicherry	1
Punjab	12
Rajasthan	2
Tamilnadu	201
Tripura	1
Uttar Pradesh	27
Uttarakhand	7
Uttaranchal	4
West Bengal	63
TOTAL	944

Exhibit 6.4: Academic Interface Program

	FY09
No. of workshops conducted	390
Workshop Satisfaction Index	3.69
FDP Satisfaction Index	3.76
Project Trainee's Satisfaction Index	3.74
Project Guide's Satisfaction Index	3.67
No of Faculty trained	4229
	FY09
Growth in Academic Liaison - US	86

Interface with Academia

More than 300 engineering colleges, management institutes and universities abroad are part of TCS' Academic Interface Program (AIP). Activities, under this program, include faculty development, curriculum upgrade, promotion of excellence among faculty and students, provision of industry exposure for students, and sponsorship of research projects and events to foster a multi-dimensional perspective for students.

The Suryodaya program, in partnership with the state government of Gujarat in India, provides satellite based distance learning for engineering students, with TCS providing the content and faculty as an extension of the AIP.

Investing in Social Developments Globally

Latin America

TCS Mexico contributes to AIDS Relief

Celebrating World Aids Day, associates at TCS Mexico, with the help of the 'fun @ work committee', donated sanitary products and baby milk powder to 'El Meson de la Misericordia Divina', an NGO from Guadalajara, Mexico, which has been working for 12 years in the area of global health emergency.

El Meson's mission is to prevent the spread of HIV/AIDS through health education awareness programmes and provide medical care to those infected by this deadly virus. With its dedicated team of social workers and volunteers, El Meson helps infected people and provides medication, food and shelter and most importantly, emotional care in order to motivate them fight against the virus.

The immediate requirements for 'sanitation material', to keep the hospital sanitised and 'baby milk powder' for its 'Save the Baby Program' were met in the presence of TCS Mexico HR Head Sumedh Chunarkar, TCS Mexico Verizon Relationship Lead Pradeep Raghunathan, TCSers Josefina Flores, Ivonne Lopez Hector Garciareynoso and El Meson Head Beatriz Jarero, 'Save The Baby Program' Head Carolina and volunteer Claudia.

Case Study 1

TCS Mexico contributes to AIDS Relief



Case Study 2

Kids of the Sheldon Padre Alfredo Ruiz Tagle enjoy again the visit of TCSers.

Kids of the Sheldon Padre Alfredo Ruiz Tagle enjoy again the visit of TCSers - Chile

Laughter, appreciation and, above all, a sense of satisfaction filled the afternoon of March 20, 2009 with the kids of Sheldon Padre Alfredo Ruiz Tagle. At this Sheldon are kids aged 4 to 12 years from less privileged families.

TCS had a campaign to collect school supplies for the children. The focus of the campaign was to provide notebooks, pencils, pads and other such items that were donated to the children, along with a celebration with hot dogs, cakes and sweets.

A big surprise was given by Transbank's team of IT, who donated a washing machine.

TCS also gave all the kids a warm coat for the winter.



North America

Books for children in North America

TCS was part of the Tata Group North America representative team at First Book's kick-off event to distribute 65,000 new books to children in need. The event was held at Eight O'Clock Coffee® in Landover, MD.

The distribution of books is the culmination of the effort of six Tata Group companies who joined together to support First Book, an award-winning nonprofit organization, with a single mission: to give children from low-income families the opportunity to read and own their first new books.

Second grade students from Dodge Park Elementary School were the first students to receive brand-new books. The students participated in reading circles with Tata Company representatives to celebrate First Book's mission to provide new books to disadvantaged children.

The combined support of Tata Sons, Tata Consultancy Services, Tata Interactive Systems, Eight O'Clock Coffee, Tata Communications and Corus, will allow First Book to distribute 65,000 new books, valued at \$2,60,000, to programmes serving children in need throughout the United States

"As part of the Tata Group, TCS continues to carry on the tradition and values of giving back to the communities in which we operate," said TCS' President of North America Operations Surya Kant "We are proud to be doing our part to ensure that the youth of America are getting the knowledge they need to succeed in the world of tomorrow."

Case Study 3

Books for children
in North America



Case Study 4
InsighT at TCS'
Redefern offices

Australia

InsighT at TCS' Redefern offices

The InsighT programme, initiated by TCS along with 'the Smith Family' (a social organisation), was held from 7-21 January 09 at TCS' Redefern offices with the assistance of ten volunteers. The course was made available to select students interested in studying information technology subjects as part of their High School Certificate in 2009 with the inclination of pursuing a career in the field.

The course content covers general IT training, as well as personal development exercises including leadership, employability, self esteem and confidence building components. The workshops were conducted for six hours each day and a follow-up programme will be held over two days in July to reinforce the effectiveness of the January workshops.

At the inaugural session, TCS Australia and New Zealand General Manager Varun Kapur said, "The Tata Group has always sought ways to make a difference to the community. They follow the principle of improving the quality of life of the communities we serve through leadership in sectors of national economic significance. The InsighT program is our way to serve the community at large." This is the second year InsighT has been offered, riding on the success of its first year in 2008.



India

New wing of Waze Secondary School in Panvel inaugurated

With the objective of encouraging village children access good quality English books and higher education, Maitree has set up a new wing of the Waze Secondary School at Panvel near Mumbai. Inaugurated by Tata Sons Director Dr J. J. Irani on 21 March in Mumbai, the new premise has two additional class rooms, a library wing, science lab, computer lab and enclosed terrace facilities for academic interactions.

At the function, a water conservation project involving a roof top rain water harvesting unit was inaugurated and the base for constructing a boundary wall around the school premise set. Given the multitude of achievements in this model village (including activities like children's education, computer literacy, women's empowerment, health and environmental initiatives, vocational training and skills enhancement), the Maitree team received positive feedback from the villagers. Irani complimented Maitree notwithstanding his own extensive exposure to community service.

Case Study 5

Waze Secondary
School in Panvel



Case Study 6

TCS 'Protsahan' for
the underprivileged



TCS 'Protsahan' for the underprivileged

The TCS CS team, along with EDUCARE, organised 'Protsahan', meaning encouragement, at the Don Bosco Park Circus Campus in Kolkata. 'Protsahan' is a cultural programme-cum-talent competition conducted for lesser privileged children in society and is one of the biggest CS events organised by TCS.

'Protsahan' covered 23 schools and NGOs and saw participation from 550 children, who competed in several events ranging from English and Hindi recitation to drawing and face painting, solo and group singing, group dancing and even a football competition within both junior and senior groups. An eminent panel judged each event and the judges had a tough time deciding on the winners.

The talented bunch of footballers from Don Bosco Ashalayam won the football competition and were awarded prizes by Padmashree P.K. Banerjee, former Olympian and Arjuna awardee.

The star performers of the TCS CS team kicked off the group dance. The dance competition and the overall championship were won by the All Bengal Women's Home, which happens to be one of the organisations where TCS is continuing its project for the Education focus group.

TCS Eastern Region HR Head Prithwish Ray was chief guest at the event. Also present were Global HR PMO Lead Biswajeet Chatterjee and ISM Dhanbad Director Professor Dr. T Kumar.

Trek and Cleanliness drive by EIS associates

TCS' Maitree Adventure Club in Goa organised a trek to Arambol on 3 January, wherein around 40 EIS associates participated. The trek consisted of a walk from Arambol beach in North Goa through the hills that separate Arambol and Kerim, and onto Kerim beach. On the way, a cleanliness drive was conducted and six large bags of garbage were collected from the beach and the hill side. The trek ended with a round of tambola and foot ball on the Kerim beach.

Case Study 7 Cleanliness Drive in Goa







PRODUCT RESPONSIBILITY

From the CTO's desk.

Research and Development



Future plan of action

TCS has relied on its innovation strengths in the face of challenges to create strong differentiators for its customers.

TCS will continue to invest in technologies that enhance productivity and operational efficiency to create savings for its customers. Cloud and utility computing will gain focus. Energy, Life sciences, and security domains will be ones of prime importance.

TCS' Chief Technology Office (CTO) and R&D function align closely to support our business objectives. iConnect, the Innovations Marketing Group, is responsible for facilitating communication between the CTO and R&D functions and for all stakeholders. The Industry Solution Unit (ISU) interface works on creating solutions based on R&D from the Innovation Labs and the Co-Innovation partners. Co-Innovation comes alive for customers in 'Co-Innovation Days' and Innovation Forums held for each strategic customer.

The Company's R&D function, with the number of PhDs more than doubled, has attracted top talent from notable universities across the world. Further, the research internship program brings interns from many world class universities.

The 7th TCS Excellence in Computer Science Week (TECS Week 2009) was held at the TCS Innovation Labs with experts of international repute delivering a series of lectures. TCS' Academic Interaction Meet "Sangam" held the 10th conclave this year and showcased innovation at TCS. TACTiCS, TCS' Technical Architects' Conference, was held in a distributed, "green" format this year and had over 500 delegates in four events held across 35 locations connected by collaboration tools, video conferencing, and even a 'Second Life' presence. Infoworld ranked TCS' Global Certainty IdeaStorm in its list of Top 100 Innovative IT projects. Further, many of the researchers and scientists have won individual laurels and awards.

The CTO Incubation Group, focusing on big bets from 'Inception to Implementation,' has made good progress with solutions and services in the areas of advertising ecosystems, mobile value-added services and digital devices. The Corporate Tools group (CTG) promotes the use of tools and enables our business units to deliver continuously improving productivity and quality of services to our customers.

A critical area of the entire innovation process is the integration of the different research and co-innovation partners' outputs into a value adding solution that could be taken out to the market place. The ISU Interface team in TCS has successfully deployed a process for eliciting the needs and devising solutions through collaborative co-solutioning workshops which are held with the various ISUs and business units in TCS. The Innovation G-To-Market (iGTM) and Integration Lab teams have then used these co-solutioning workshops to deploy the solutions to various customers.

K Ananth Krishnan
Chief Technology Officer

Product Responsibility Strategy and Management Approach

TCS takes responsibility for its offerings to its customers. TCS' Quality Management processes ensure that the service it delivers has minimal defects; TCS also provides warranty periods in the customer contracts for after-delivery service in case of a defect.

TCS' commitment to quality and schedules ensures that the client's needs are met consistently. It adopts a systematic approach to problems and encourage experimentation, innovation and creativity in finding feasible solutions. Being a process-oriented organisation, TCS believes that the definition of a good process and subsequent adherence to that process is a critical part in ensuring a successful project. By automating manual processes for its clients, TCS aims to reduce paper usage. Through R&D arm, Tata Research Development and Design Centre (TRDDC), TCS is currently exploring new ways of converting industrial waste into useful products.



TRDDC Process Engineering Lab

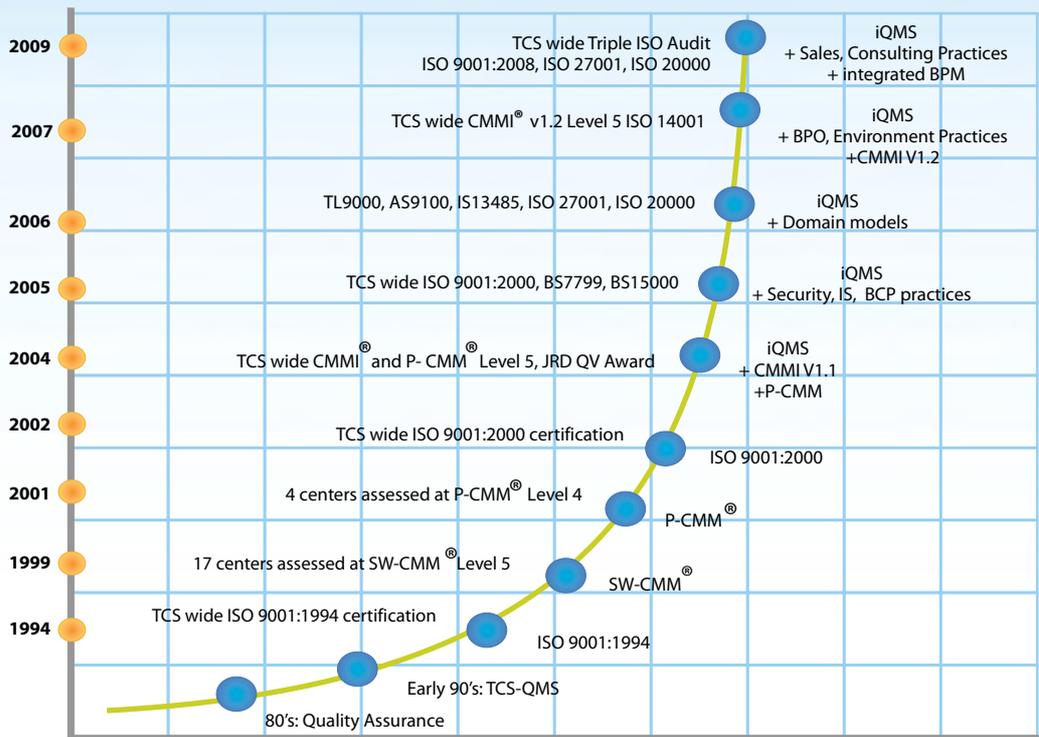
Quantitative Project Management Approach

Quality Journey

TCS follows a rigorous quality management process to ensure best project results. TCS' quality focus has evolved from quality control (1970's) to quality assurance (1980's) to quality management (1990's). Starting from the early 80's, when TCS began establishing standards for Quality Control mechanism, TCS' commitment to quality has enabled it to reach a level where these practices are acknowledged as being at the Optimizing level (Level 5) of the SEI-CMM. They have thus become a benchmark for the IT industry.

Exhibit 7.1: TCS as the first organization at CMMI level 5 and PCMMI level 5

Process Maturity at TCS



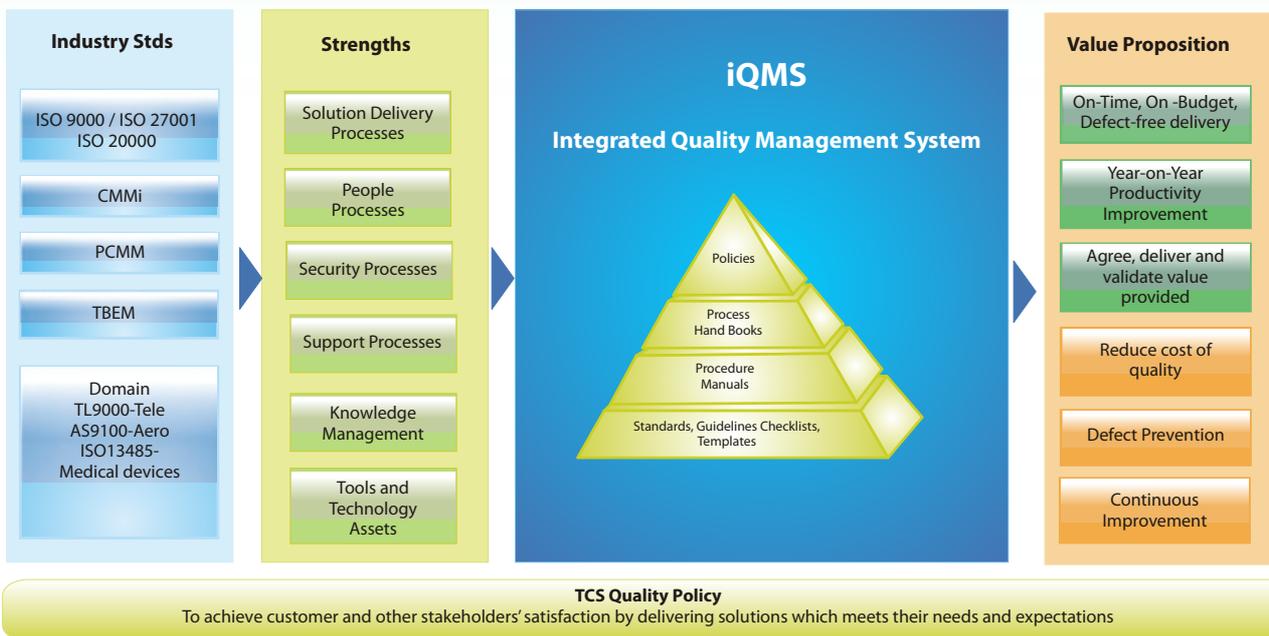
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TCS is the first organization assessed at CMMI level 5 and PCMMI level 5 at enterprise level.

TCS Quality Management System

The TCS Quality Management System is a complete set of documents, tools, methods and practices built on and around the business model, with a focus on service & solution delivery, customer management, security management and people processes. It also includes a suitable measurement programme to continuously monitor the effectiveness of the quality system. It focuses on all aspects of project management, knowledge management, technology management, customer management, product and service delivery, security management, business continuity, career development and competency management, irrespective of the location, associates and other parameters of diversity; thus, ensuring that customers experience a level of certainty that no other organization can match.

Exhibit 7.2: Integrated Quality Management Systems



The three-tier quality check deployed in various projects to ensure high product quality is explained below:

- **Internal Quality Assurance (IQA)** – All work items, products or deliverables undergo peer review / independent review / self review / code walkthrough.
- **External Quality Assurance (EQA)** – In EQA, competent associates external to the project verify work items or deliveries.
- **Final Inspection (FI)** – An external reviewer does the final quality check to ensure completeness and usability of the package before delivering the final product to the client. All work items where the effort involved exceeds five person days must undergo an FI before delivery. For effort of less than five person days, a running FI log is maintained to track all the deliveries. The Project Leader also does a final inspection before delivery. The external reviewer verifies the quality process adopted every fortnight.

IQA and EQA reviews ensure product quality while FI review ensures that appropriate processes were followed in development.

Besides, Project Management Reviews (PMR) is conducted quarterly by the senior management representatives to check the overall health of the project and potential risks. Discrepancies identified by a PMR team are rectified to comply with the project plan.

Project audits are performed by an external quality controller (representative of TCS Quality Assurance Group or a senior team member from another project) who audits the project to verify compliance with customer specific processes and TCS iQMS.

PMRs and project audits are normally attended by the project lead.

The entire project team is briefed on the same in regular team meetings

In addition, TCS has trained personnel who can conduct quality and standards assessments:

- For SEI CMM - TCS has 200+ Assessors, 8 Lead Assessors
- For SEI CMMI- TCS has 23 Assessors, 2 Lead Assessors
- For PCMM- TCS has 24 Assessors, 1 Lead Assessor

A total of 29 lead auditors are qualified to lead ISO 9001:2000 certification audits and 4500 internal auditors, the largest pool of auditors among software companies in this part of the world, ensure that a quality management system is implemented in each of TCS' projects. TCS has about 28 auditors qualified to lead ISO 27001:2005.

TCS has built a huge pool of certified Green Belt and Black Belt associates who contribute to ongoing process improvements resulting in significant dollar savings.

- Trained Associates Over 8000
- Certified Green Belts Over 2800
- Certified Black Belts Over 150

Quality Assurance Process

TCS has been certified for ISO 9001:2000, ISO 27001:2005, ISO 20000:2005, TL 9000, AS 9100, ISO 13485:2003 and assessed at maturity level 5 of CMMI Dev Ver 1.2.

TCS' business and delivery processes are defined through an integrated Quality Management System (iQMS), which comprehensively imbibes the requirements and best practices of the various industry models, frameworks, and standards mentioned. TCS' Quality Management System (iQMS) is based on the ISO 9001:2000 and IEEE standards and ISO 9001-3 and CMM/CMMI Level 5, PCMM Level 5 maturity and Six Sigma guidelines.

TCS' commitment to quality and schedule ensure that customers' needs are met consistently. If required, TCS adopts client's quality guidelines and integrates them with its processes.

Quantitative Process Management

TCS' iQMS is metrics driven. Process and product quality health are measured in terms of a defined set of metrics depending on the project type. Metrics are generated automatically in TCS' Integrated Project Management System (IPMS) when specific events occur.

Exhibit 7.3: Quantitative Process Management



Continuous Process Improvement at TCS

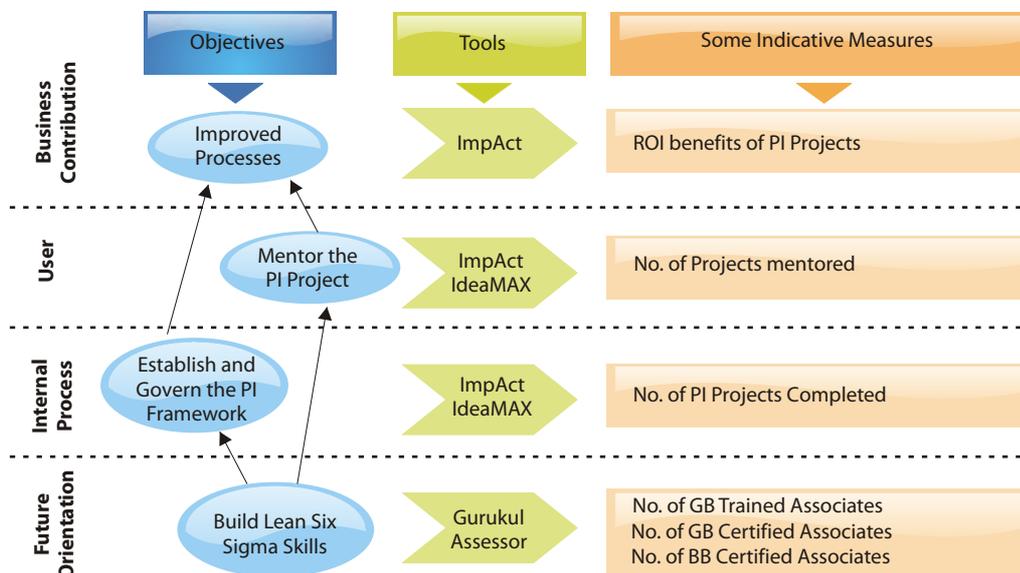
Process Improvement (PI) in TCS is “to institutionalize a continuous improvement rigor across the organization by enabling operating units to drive process improvement through application of the Lean Six Sigma methodology.”

TCS, in its quest for excellence, focuses on optimizing its core processes such as Delivery, Sales and Relationship, Leadership and Governance, Knowledge Management, Security and Operational Risk Management (ORM). This enables TCS to provide high quality of service and value addition to its customers. Various improvement projects have resulted in tangible savings and business benefits for TCS and its customers.

Process Improvement Framework

To foster an environment of continuous process improvement, a robust PI framework is in place at TCS. This framework ensures sustainable business benefit.

Exhibit 7.4: TCS’ Process Improvement Framework



TCS's well-structured PI approach focuses on prioritizing appropriate improvement opportunities from multiple sources and ensures successful execution, deployment, and institutionalization across the organization.

The result-oriented PI approach primarily involves the following:

- **Identification:** Improvement opportunities are identified from various sources such as external assessments, customer feedback, management review, performance analysis, and associate ideas.
- **Prioritization:** Improvement initiatives across different process categories are prioritized, based on strategic drivers and degree of complexity.
- **Methodology selection:** Improvements are undertaken by using appropriate improvement methodologies such as Lean, Six Sigma, PDCA, and so on.
- **Execution:** Improvement projects are formally executed under the guidance of qualified mentors and tracked centrally.
- **Deployment:** Improved processes are deployed in a controlled manner for benefit realization.

The PI team is highly focused on integrating and facilitating process improvement initiatives across the organization.

Customer Satisfaction and Dissatisfaction

TCS fosters a culture of customer focus at all levels of the organization. Being in a service industry, TCS strongly believes in building relationships across all levels in the client organization namely, the project level, the relationship level and strategic level. Our relationship with clients is nurtured at every level by a dedicated owner or a team working at that particular level. We believe that building relationship and growing with the client is one of our key strengths.

Customers are at the heart of our operations. Our mission statement is "To help customers achieve their business objectives, by providing innovative, best-in-class consulting, IT solutions and services. We shall make it a joy for all stakeholders to work with us".

To further enhance the customer centricity, creating a nimble and an agile organization, in April 2008 we restructured our organization forming domain based independent operating units, owning end to end processes from managing customer relationships through to delivery.

TCS strategy for customer feedback management

Obtaining continuous feedback from our clients is critical for maintaining the highest customer service level at all times, improving our operations, making tactical investments and enabling strategic choices.

The following diagram shows the Client Relationship Model and Feedback forums:

Exhibit 7.5: Client Relationship Model and Feedback forums

Audience Group	Participants	Feedback Forums
Environmental Influence	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">Industry Analysts</div> <div style="border: 1px solid black; padding: 2px;">Industry Forums</div> <div style="border: 1px solid black; padding: 2px;">Client Group Leadership Forum</div> <div style="border: 1px solid black; padding: 2px;">Alliance Partners</div> </div>	<ul style="list-style-type: none"> • Industry analyst reports • Partner Publications
Owner Layer	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">Board of Directors</div> <div style="border: 1px solid black; padding: 2px;">Shareholders</div> <div style="border: 1px solid black; padding: 2px;">Group Client</div> </div>	<ul style="list-style-type: none"> • Senior Leadership Meetings (Annual)
Strategic Management Layer	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">CXO</div> <div style="border: 1px solid black; padding: 2px;">Business Unit Heads</div> <div style="border: 1px solid black; padding: 2px;">Client Strategic Advisors</div> </div>	<ul style="list-style-type: none"> • Lifeline (Internal) Annual • Lifeline (3rd party)-Once in 3 yrs • Client Summits (Annual) • Relationship Suite (CRM) (Ad hoc)
Tactical Management Layer	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">Program/Project Managers</div> <div style="border: 1px solid black; padding: 2px;">Departmental Managers</div> <div style="border: 1px solid black; padding: 2px;">Vendor Managers</div> </div>	<ul style="list-style-type: none"> • CSS Feedback (6 months or Project End) • Engagement Governance (Monthly) • Customer Complaints (Ad hoc) • Customer Appreciations (Ad hoc)
Technical Layer	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">Business Process Staff</div> <div style="border: 1px solid black; padding: 2px;">Technical Staff</div> <div style="border: 1px solid black; padding: 2px;">Acceptance Testing Staff</div> </div>	<ul style="list-style-type: none"> • Defects (Testing phases) • Customer Complaints (Ad hoc) • Customer Appreciations (Ad hoc) • Escalated Issues (Ad hoc)
Customer's Customer	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">End Customers</div> <div style="border: 1px solid black; padding: 2px;">Retailers</div> <div style="border: 1px solid black; padding: 2px;">Wholesalers</div> <div style="border: 1px solid black; padding: 2px;">Consumer Forums</div> </div>	<ul style="list-style-type: none"> • Indirectly via Client feedback

Key Formal Direct Feedback Mechanisms

The feedback received by TCS is analyzed at multiple levels

- TCS Level
- Industry Level
- Geography Level
- Account Level
- Project Level

TCS conducts an annual Lifeline Client Experience Survey, which every 3rd year is administered by a 3rd party research firm. The purpose of this online survey is to:

- Broaden and deepen our understanding of clients' experience of TCS
- Improve delivery management
- Analyse our Brand recognition and position versus competitors
- Provide us with an actionable report to help refine our strategies and achieve our client growth goals
- Enable some level of 'aggregated' analysis, by industry, geography and even by job level

Apart from the Lifeline survey, TCS also conducts a Project Customer Satisfaction Survey (CSS) on at least a half-yearly basis which analyses the Customer Satisfaction Index (CSI).

One of the attributes in Customer Satisfaction Survey (CSS) also rates the performance of TCS against compliance to norms for security management and continuity planning.

TCS has a performance rating that has been improving over 85% for a period of four years and no complaints are received regarding non-conformation of information security from our customers.

Integrated Project Management System (IPMS)

TCS' Integrated Project Management System (IPMS) logs and tracks Project and Relationship level feedback, complaints and appreciations. The process to capture Customer Feedback is an end-to-end closed loop process which ties into business planning and improvement initiatives.

The customer complaints are assigned to an individual or pre-defined group, with automatic escalation of complaint as per system-defined rules for speedy resolution. Once a complaint is

logged in the system, the assigned owner is required to prepare an action plan to resolve the complaint. The action plan is reviewed with the customer so that the customer is aware of how TCS plans to address the complaint. Complaints that can be closed with short term action plans are closed when the customer confirms that complaint is resolved. In case the complaint requires long-term action or strategic action, the action plan is incorporated into the account plan and closed after having been shared with the customer and receiving their agreement on the planned course of action.

Key Indirect Feedback Channels

Some of the Indirect Feedback channels include Analysts, Advisors and Alliance Partners.

- **Analysts and Advisors:** TCS works with recognized industry analysts such as AMR, Forrester, Gartner, IDC and Ovum as well as sourcing advisors like Equaterra and TPI, who engage with customer organizations to analyze and understand the underlying factors of a specific market, industry or product. Through their published reports, briefings and events we gather information from and about our clients and potential customers. This information is used not only to identify future opportunities, but also to understand the perception of TCS and our services by our clients.
- **Alliance Partners:** TCS works very closely with a select number of partners around the world. Besides the fact that TCS uses our partner products and services as part of offerings to our customer and vice versa we collaborate in the pursuit of common customers complementing each others' experience and expertise to offer the best possible solution to the respective customer.

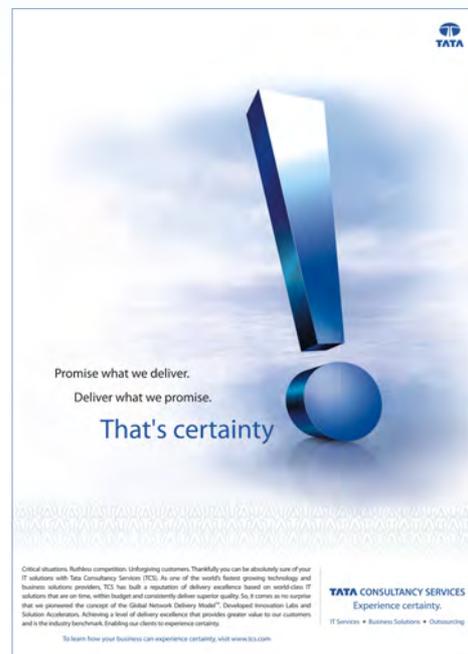
- **TCS Associates:** Day-to-day interactions between our clients and TCS associates involved in the project also provide the opportunity for our clients to give feedback and for each TCS associate to collect this valuable feedback.
- **Public Sources:** TCS monitors the public media space for news, reports, bulletins etc. for information pertaining to TCS and any of our potential customers and existing clients.

Evolution of the TCS Brand

Year 08-09 has marked a dramatic leap in TCS' global branding exercise. Tata Consultancy Services is now the first Indian company to feature as a key supplier and sponsor of the Ferrari formula one team with the logo appearing on the Ferrari F60 race car.

TCS was also awarded the winner of the Gold Award for Marketing Excellence in the category of Sharpening Brand and Competitive Differentiation by ITSMA, the leading marketing association for technology, communications, and professional services providers.

TCS continues to focus on brand through other mediums like reaching out to influencers in different markets— in academia, advisory services, think-tanks, governments and the media—as it emerges as one of the key global players in the IT industry. In the process, TCS is doing what it has always done: display leadership and promote change.



Marketing Communications

A corporate brand like Tata Consultancy Services is more than a logo or a name. It is not what TCS says or thinks about ourselves, the company or its services, but what its stakeholders think and feel about TCS.

TCS' brand guidelines have been created to strengthen and add to the current equity of TCS and Tata brands. TCS systematically weaves itself into the fabric of client's business. Its visual system illustrates that complete integration. The use of multiples—the Tata mark and other visual components—evoke rigor, discipline, and attention to detail from which the best, most certain outcomes emerge.

The following guidelines illustrate how to use the components of its brand visually. They include directions on how to use TCS' visual identity marks, weave patterns, corporate colors and typefaces, as also the tag line and competency block. These guidelines are based on the recommendations of TCS' brand consultants and adhere to the Tata Group Identity guidelines.

There are six guidelines:

1. Corporate Identity guidelines
2. Corporate Communications guidelines, such as letterheads, and so on
3. Other applications—collateral, exhibition panels, merchandise, and so on
4. Facility branding
5. Audio-visual standards
6. Digital standards

These guidelines ensure that TCS does not violate copyrights and conforms to generally acceptable ethical and cultural standards, so as not to intrude on privacy. All images and text used are either owned or created by TCS or have been rightly obtained by seeking the necessary approval and buying the rights if necessary.

No marketing communication or campaign content is sent to people who have explicitly requested for no contact, thus valuing individual privacy. TCS also seeks explicit permission from customer organizations to mention their names in customer lists and for use in case studies and testimonials, which are published in marketing collaterals and media releases.

In addition to frameworks of national or international law, voluntary and self regulatory codes (such as the ICC International Code of Advertising Practice or the OECD Guidelines for Multinational Enterprises) seek to express concepts of responsibility in marketing communications. The adoption of such self-disciplinary codes or rules can assist organizations in ensuring that their marketing communications practices conform to generally accepted standards.

Awards and Recognition



- One of two Indian corporates in the Dow Jones Sustainability World Index 09/2008
- Wall Street Journal Global Innovation Technology Award in Wireless Category
- Best Governed Company Award 2008
- Highest rating in Karmayog CSR Ratings of the 1000 largest Indian companies – 2008
- Dun & Bradstreet - Rolta Corporate Awards 2008
- CII Western Region Safety, Health & Environment Award 2008
- Young Managers Award at the 13th MMA Convention
- Recruiting and Staffing Best in Class Awards (RASBIC) 2008-09
- TCS' GeoSpatial Technology (GST) Practice Received the Geospatial Excellence Award 2009 in the category Water & Waste Water Utilities for its client Thames Water Utilities, UK
- TCS among 15 Greatest Places to Work in Uruguay
- TCS Chennai bags Leadership and Excellence Award in Environment Health & Safety
- Industry Excellence Award 2008 from Institution of Engineers, India
- Outstanding IT Company Award from FAPCCI
- MAKE award for the fourth time
- The Institution of Engineers (IEI) Industry Excellence Award 2008
- Independent analyst firm ranks TCS BaNCS as No. 1 technology provider and market leader in China for second consecutive year
- TCS ranked sixth in FinTech 100 as leading Indian IT Providers
- TCS ranked in the InfoWorld 100 Awards
- DQ Top IT Company & Top Exporter award
- Web Health Centre wins Manthan Award South Asia 2008
- Golden Peacock Innovation Award 2008

- Lilly Global Supplier Award
- Ferrari Innovation award
- 2008 Frost & Sullivan Customer Value Leadership (CVL) of the Year Award in the Information Technology (IT) services space for manufacturing industry
- 1st prize in CII Leadership and Excellence Award in EHS 2008.
- 1st prize in the 5th CII Western Region Safety, Health and Environment Award 2008.
- 5th Level Award for Excellence in Energy Conservation & Management 2008 for TCS Yantra Park, Thane, by Maharashtra Energy Development Agency, Government of Maharashtra.
- Golden Peacock Environment Management System Award – 2008



CEO and MD, N. Chandrasekaran received the Best Governed Company Award 2008 for TCS





Abbreviation and Acronyms

List of Abbreviation and Acronyms

Abbreviation	Description
ACM	Association for Computing Machinery
AIDS	Acquired Immuno Deficiency Syndrome
AIP	Academic Interface Programme
ALP	Adult Literacy Programme
ASQ	American Society for Quality
BA	Business Associates
BARC	Bhabha Atomic Research Centre
BI	Business Intelligence
BitC	Business in the Community
BPO	Business Process Outsourcing
BRM	Business Relationship Manager
BSC	Balanced Score Cards
BT	British Telecommunications
CAGR	Compounded Average Growth Rate
Capex	Capital expenditure
CBFL	Computer Based Functional Literacy
CCTV	Closed Circuit Television
CEO	Chief Executive Officer
CFD	Computational Fluid Dynamics
CFL	Compact Fluorescent Lamps
CFO	Chief Financial Officer
CFT	Cross Functional Teams
CG	Corporate Governance
CGSL	Citigroup Global Services Limited
CII	Confederation of Indian Industry (CII)
CLP	Computer Literacy Programme
CMM	Capability Maturity Model
CO ₂	Carbon dioxide
COSO	Committee of Sponsoring Organizations of Treadway Commission
CPCB	Central Pollution Control Board of India
CPU	Central Processing Unit
CRM	Customer Relationship Management
CRT	Cathode ray tube,
CS	Corporate Sustainability
CSR	Corporate Social Responsibility
CSS	Customer Satisfaction Survey
CTB	Corporate Technology Board
CTO	Chief Technology Officer
Defra	Department for Environment, Food and Rural Affairs

Abbreviation	Description
DG	Diesel Generator
EDP	Electronic Data Processing
EHS	Environment, Health and Safety,
EIS	Engineering and Industrial Services
EMS	Environmental Management System
EPS	Earnings Per Share
EQA	External quality assurance
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
EVA	Economic Value Added
FDA	Food and Drug Administration
FDP	Faculty Development Programme
FEMA	Foreign Exchange Management Act
FNS	Financial Network Services
GCP	Global Consulting Practice
GE	General Electric
GHG	Green House Gases
GJ	Gigajoule
GNDM™	Global Network Delivery Model™
GRI	Global Reporting Initiative
H&S	Health and Safety
HIPAA	Health Insurance Portability and Accountability Act
HIV	Human immunodeficiency virus
HP	Hewlett-Packard
HR	Human Resource
HSE	Health, Safety and Environment
HSEMS	Health Safety Environment Management System
HVAC	Heating, Ventilating, and Air Conditioning
iCALMS	integrated Competency and Learning Management System
ICC	The International Chamber of Commerce
IEEE	Institute of Electrical and Electronics Engineers
ILP	Initial Learning Program
ILP	Initial Learning Program
INR	Indian Rupee
IPO	Initial Public Offering
IPR	Intellectual Property Rights
IQA	Internal quality assurance
iQMS	Integrated Quality Management System
IS&S	

Abbreviation	Description
ISACA	Information Systems Audit and Control Association
ISO	International Organisation for Standardisation
ISU	Industry Solutions Unit
IT	Information Technology
IT IS	IT Infrastructure Services
JV	Joint Ventures
KM	Knowledge Management
L&D	Learning and Development
LDP	Leadership Development Program
LEC	Local Ethics Counsellors
LECs	Location level counsellors
LED	Light-Emitting-Diode
LEED	Leadership in Energy and Environmental Design
LPG	Liquefied Petroleum Gas
Maitree	Maitree is a social platform of all members of the Tata Consultancy Services Limited family, which extends its activities "beyond the corporate
MBE	Management of Business Ethics
MCA	Master of Computer Applications
MEDA	Maharashtra Energy Development Authority
mKRISHI	Agro-advisory system
MoU	Memorandum of Understanding
MSc	Master of Science
MWH	megawatt hour
NASSCOM	The National Association of Software and Services Companies (NASSCOM) - this Indian chamber of commerce is a consortium that serves as an interface to the Indian software industry and Indian BPO industry.
NOx	Nitrogen oxide
OECD	Organisation Of Economic Co-operation and Development
OHSAS 18001-2007	Occupational Health and Safety Management Systems
OHSMS	Occupational Health and Safety Management System
Opex	Operational expenditure
PAT	Profit After Tax
PBIDT	Profit Before Interest Depreciation and Taxes
PC	Personal Computer
PCMM	People Capability Maturity Model
PEEP	Proactive Employee Engagement Programme

Abbreviation	Description
PIP	Process Improvement Proposal
PMRY	Prime Minister Rozgar Yojana – This is a programme launched in India for providing selfemployment to educated unemployed youth
PPE	Personal protective equipment
PR	Public Relations
PULSE	Digitized employee satisfaction survey
R-22	Refrigerants:
R 407C	R-22 - Chlorodifluoromethane
R11 &	R-11 Trichlorofluoromethane
R134a	R134A- 1,1,1,2-Tetrafluoroethane R407C
RASBIC	Recruiting and Staffing Best in Class Awards
SBU	Strategic Business Unit
SCAMPISM	Standard CMMI Appraisal Method for Process Improvement
SEBI	Securities and Exchange Board of India
SEI	Software Engineering Institute
SEZ	Special Economic Zone
SGB	Strategic Growth Businesses
SLA	Service Level Agreement
SMB	Small and Medium Business
SOx	Sulfur oxide
SOX	Sarbanes–Oxley Act
STP	Sewage Treatment Plant
SW-CMM	Software - Capability Maturity Model
TBEM	TATA Business Excellence Model
TCO	Total Cost of Ownership
TCoC	TATA Code of Conduct
TCS	Tata Consultancy Services Ltd.
TCS FS	TCS Financial Solutions
TCSFS	Financial Services Units
TFT	Thin-film Transistor
TQMS	TATA Quality Management Services
TSL	Tata Sons Limited
TUPE	Transfer of Undertakings
US GBC	US Green Building Council
W	Watt
WBT	Web based training
WEEE	Waste Electrical and Electronic Equipment





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Independent assurance report to Tata Consultancy Services Limited's Corporate Sustainability Report 2008-09

KPMG was engaged by Tata Consultancy Services Limited ("TCS") to provide assurance over its Corporate Sustainability Report ("Report") for the year 2008-09.

What was included in the scope of our assurance engagement?

Assurance has been provided for the sustainability data and information presented by TCS in its 2008-09 Report. We have covered all the performance indicators mentioned in the Global Reporting Initiative's G3 Guidelines for Sustainability Reporting. We have carried out verification visits to the following National delivery centres of TCS:

- Bangalore – Jal Dhara and SJM Towers
- Chennai – Siru Seri and Sholingganallur
- Gurgaon – GGIV and TCS Towers
- Hyderabad – Madhapura and Synergy Park
- Kolkata – Eden Park and Lord's Park
- Mumbai – Gateway Park and Yantra Park
- Pune – Nyati Tiara and Raja Shree

and organized video conference sessions for the following International delivery centres of TCS:

- Chile – Santiago
- Hungary – Budapest
- Mexico
- UK & Ireland – 33 Grosvenor Place and Peterborough
- USA – Phoenix and Edison

Which assurance standards did we use?

We conducted the assurance in accordance with

- "Limited Assurance" requirements of ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information by International Federation of Accountants' (IFAC) International Standard for Assurance Engagements and
- "Type 2, Moderate Level" assurance requirements of AA1000 Assurance Standard 2008 by AccountAbility. Under this standard, we have reviewed the accuracy and quality of sustainability performance data/information disclosed by TCS and evaluated TCS's adherence to the following AA1000 Accountability Principles (2008):
 - Inclusivity: To assess if TCS has included stakeholders in developing and achieving an accountable and strategic response to sustainability.
 - Materiality: To assess if TCS has included in its report the material information required by its stakeholders to be able to make informed judgements, decisions and actions.
 - Responsiveness: To assess if TCS has responded to stakeholder concerns, policies and relevant standards and adequately communicated these in the Report.

How we maintained our independence?

We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

KPMG, an Indian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



What were the limitations in conducting the assurance?

Our assurance process was subject to the following limitations:

- The assurance does not include verification of financial performance indicators that were sourced from TCS's 2008-09 annual report.
- Verification of claims was limited to data and information presented for the period 01 April 2008 to 31 March 2009. Data and information outside this reporting period was not subject to any verification.
- Any statement indicating intention, opinion, belief and / or aspiration by TCS were excluded from the scope of assurance.

What did we do to arrive at conclusions and observations?

The assurance work was executed by KPMG's multi-disciplinary team comprising of environmental and social experts who have prior experience of working on assurance engagements. Our work was planned and executed to obtain all the evidence, information and explanations that were considered necessary in relation to the above scope. Our work included the following procedures involving a range of evidence-gathering activities as explained below:

- Interaction with the TCS's senior management and sustainability core group at the Corporate office and senior management and middle management at delivery centres;
- Review of the stakeholder consultation processes and the methodology used for determining the material issues;
- Assessment of report contents to ensure consistency with the requirements of the GRI G3 guidelines (principles and performance indicators) and AA1000 AS 2008 principles;
- Evaluation of the existence and operation of the systems and methods used to collect, process and aggregate the performance data presented in the Report.
- Testing the reliability of underlying data and information for the performance data within the scope of our assurance;

What are our conclusions?

Based on our review, nothing has come to our attention to indicate that the information contained in the Report is not consistent with the findings of our work as described below:

- The outcome of assurance engagement provided confidence on the systems and processes used by TCS for presenting the sustainability performance data and information in terms of reliability along with fair and accurate representation within the reporting period. Further adherence to AA1000AS 2008 principles can be stated as follows:
 - **Principle of Inclusivity:**
 - TCS has placed equal importance to the economic, environmental, and social bottom-lines, while presenting the data and information in the Report.
 - The Report provides adequate evidence on consistency in adopting sustainable business practices and reporting on the same.
 - The stakeholder engagement presents only an inside – out view where sustainability concerns raised by TCS's internal stakeholders have been addressed in an informal manner.
 - **Principle of Materiality:**
 - There was no case of material misrepresentation or omission of data and interpretation where information was either not disclosed or distorted so as to affect stakeholder actions and behaviour.
 - During the data verification process, errors related to data calculation and incorrect transcription was identified. Subsequently, the errors were rectified and correct values were reported.



- o The process for identification and prioritization of material sustainability issues was limited to TCS's internal stakeholders.
- o With reference to the 5-part Materiality test of AA1000 AS 2008, TCS has provided adequate information on issues related to direct financial impacts, policy related performance, organisational peer based norms, and societal norms. The information on stakeholder behaviour and concerns was limited to TCS's internal stakeholders.

• **Principle of Responsiveness**

- o TCS has reported on the progress achieved in the year 2008-09 on its sustainability commitments along with goals and targets within a goal-specific time frame.
- o TCS has deployed adequate resources towards managing the sustainability portfolio of the company with appropriate governance mechanism at the board level.
- o TCS has reported on its policy and performance across the three bottom-lines. However, the same have not been presented as a response to external stakeholder interests and expectations.

What were the other key observations?

- TCS has put in dedicated efforts towards addressing energy conservation, water conservation, climate change and workplace ethics.
- The Enterprise Risk Management framework at TCS included assessment of sustainability risks, however identification of sustainability risks was not a part of the framework in 2008-09.
- TCS has set quantified targets only for environmental performance, based on internal and external parameters that affect TCS's sustainability performance.
- The internal checks and audits for processes specific to sustainability performance indicators need improvement in terms of creation of an internal assurance mechanism, streamlining assurance audit protocols, and proper retention of backup documentation like bills, challans, log books, and receipts, across delivery centres.

How are the responsibilities assigned?

The Management of TCS is responsible for development of the Report and its contents. TCS is responsible for identification of stakeholders and material issues, define commitments with respect to sustainability performance, establish and maintain appropriate performance management and internal control systems from which reported information is derived.

Our responsibility is to express our conclusions in relation to the scope mentioned above. This assurance statement is made solely to TCS in accordance with the terms of our engagement. Our work has been undertaken so that we might state to TCS those matters we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than TCS for our work, for this report, or for the conclusions we have reached. By reading this assurance statement, the stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Dinesh Anand
Executive Director
KPMG, India
06 April 2010







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EC1 (core) Economic profile		Economic Performance	36
EC2 (core) Financial effect of climate change	Principle 7	Response to Climate change	43
EC3 (core) Pension plan obligations		Benefit Scheme for Indian Employee	80
EC4 (core) Financial assistance from government		No financial assistance received in FY 2008/09	43
EC5 (additional) Wage comparison		Market Presence	44
EC6 (core) Practices for spending on local suppliers		Market Presence	44
EC7 (core) Hiring policy – locality of senior management	Principle 6	Market Presence	44
EC8 (core) Infrastructure investments		Community	106
EC9 (additional) Indirect economic impacts		Community	106

Environmental Performance Indicators

EN1 (core) Materials used by weight or volume.	Principle 8	Paper and Cartridge management	53
EN2 (core) Percentage of materials used that are recycled input materials.	Principles 8 & 9	None	
EN3 (core) Direct energy consumption by primary energy source.	Principles 8 & 9	Energy	49
EN4 (core) Indirect energy consumption by primary source.	Principles 8 & 9	Energy	49
EN5 (additional) Energy saved due to conservation and efficiency improvements.	Principles 8 & 9	Energy	49
EN6 (additional) Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Principles 8 & 9	Energy	50

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EN7 (additional) Initiatives to reduce indirect energy consumption and reductions achieved.	Principles 8 & 9	Energy	50
EN8 (core) Total water withdrawal by source	Principle 8	Water Management	54
EN9 (additional) Water sources significantly affected by withdrawal of water	Principle 8	Water Management	54
EN10 (additional) Percentage and total volume of water recycled and reused.	Principles 8 & 9	Sewage treatment and reuse	55
EN11 (core) Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		None	
EN12 (core) Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		None	
EN13 (additional) Habitats protected / restored	Principle 8	Biodiversity Enhancement and Management at TCS facilities	63
EN14 (additional) Strategies, current actions, and future plans for managing impacts on biodiversity.	Principle 9	Biodiversity Action Plan	64
EN15 (additional) Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		None	
EN16 (core) Total direct and indirect greenhouse gas emissions by weight.	Principle 8	Carbon Foot print	59
EN17 (core) Other relevant indirect greenhouse gas emissions by weight.	Principle 8	Carbon Foot print	60
EN18 (additional) Initiatives to reduce greenhouse gas emissions and reductions achieved.	Principles 7, 8 & 9	Carbon Foot print	60
EN19 (core) Emissions of ozone-depleting substances by weight.	Principle 8	Carbon Foot print	60
EN20 (core) NOx, SOx, and other significant air emissions by type and weight.	Principle 8	Carbon Foot print	60
EN21 (core) Total water discharge by quality and destination.	Principle 8	Water management	54
EN22 (core) Total weight of waste by type and disposal method.	Principle 8	Waste management E- waste	57 58
EN23 (core) Total number and volume of significant spills.		None	
EN24 (additional) Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		None	

GRI References	UNGC Principles	Report Reference	Page
EN25 (additional) Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.		None	
EN26 (core) Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Principles 8 & 9	As TCS is a service-oriented company, the nature of its operations does not support this.	
EN27 (core) Percentage of products sold and their packaging materials that are reclaimed by category.	Principles 8 & 9	As TCS is a service-oriented company, the nature of its operations does not support this.	
EN28 (core) Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		None	
EN29 (additional) Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		Carbon Foot print	60
EN30 (additional) Total environmental protection expenditures and investments by type.	Principle 8	TCS has spent over INR 75 million on environmental protection for the year 2008-09	

Social Performance - Labour Practice Indicators

LA1 (core) Workforce breakdown by region / type		Employee Engagement and Awareness. Exhibit 4.12	81
LA2 (core) Number and rate of employee turnover	Principle 6	Employee Engagement and Awareness	80
LA3 (additional) Minimum benefits to employees		Employee Engagement and Awareness	78
LA4 (core) Collective bargaining agreements		Employee Rights	89
LA5 (core) Notice period and consultation procedures	Principle 3	Employee Engagement and Awareness	79
LA6 (additional) Percentage of workforce represented in health and safety committees	Principle 1	Occupational Health and Safety	71
LA7 (core) Rates of injury, lost days, absenteeism by region	Principle 1	Occupational Health and Safety	72
LA8 (core) Education policies on serious diseases	Principle 1	Occupational Health and Safety	71
LA9 (additional) Health and safety topics covered with trade unions		As TCS is a service-oriented company, the nature of its operations does not support this.	

GRI References	UNGC Principles	Report Reference	Page
LA10 (core) Hours of training per year per employee		Training And Education	84
LA11 (additional) Skills management / lifelong learning initiatives		Training And Education	82
LA12 (additional) Percentage of employees receiving performance / career development review		Training And Education	84
LA13 (core) Composition of governance bodies and employees by gender, age, other indicators of diversity	Principle 6	Employee Engagement and Awareness	79
LA14 (core) Remuneration according to gender** **The ratio of basic salary of men to women is 1	Principle 6	Diversity And Equal Opportunity	85

Social Performance – Human Rights

HR1 (core) Human rights screening of significant investments	Principles 1 - 6	None	
HR2 (core) Percentage of suppliers assessed for human rights screening	Principles 1 - 6	Human Rights Strategy and Management Approach	90
HR3 (additional) Employee training on human rights	Principles 1 - 6	FY 2008-09 TCS has invested 12,847.5 man days effort	
HR4 (core) Incidents of discrimination	Principles 1 & 6	No incidents of Discrimination have been reported in FY 2008/09	
HR5 (core) Violations of freedom / collective bargaining		None	
HR6 (core) Child Labour incidents	Principles 1, 2 & 5	As TCS is a service-oriented company, no operations exist with risk for incidents of child labour. See Employee Rights	89
HR7 (core) Forced Labour incidents	Principles 1, 2 & 4	As TCS is a service-oriented company, no operations exist with risk for incidents of forced or compulsory labour. See Employee Rights	89
HR8 (additional) Percentage security personnel trained in human rights	Principles 1 & 2	Training to Employees and Support Groups	92
HR9 (additional) Incidents – rights of indigenous people		None	

Social Performance – Society

SO1 (core) Community impact policy and procedures		CS Strategy and Management Approach	93
SO2 (core) Bribery and corruption mechanisms	Principle 10	All employees, are expected to adhere to the Tata Code of Conduct (http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_CodeofConduct_Oct-2008.pdf).	
SO3 (core) Percentage of employees trained in anticorruption mechanisms	Principle 10	All employees are trained to abide by the Tata Code of Conduct (http://www.tcs.com/SiteCollectionDocuments/About%20TCS/TCS_Code ofConduct_Oct-2008.pdf)	

GRI References	UNGC Principles	Report Reference	Page
SO4 (core) Action against incidences of corruption	Principle 10	No incidents of corruption were reported in FY 2008-09.	
SO5 (core) Participation in public policy / lobbying	Public concerns		17
SO6 (additional) Amount contributed to parties		Political Party Participation	17
SO7 (additional) Legal actions on competition issues		None	
SO8 (core) Fines for noncompliance with laws and regulations		None	

Social Performance – Product

PR1 (core) Health & safety impact assessment		As TCS is a service-oriented company, the nature of its operations does not support this.	
PR2 (additional) Incidents of noncompliance		As TCS is a service-oriented company, the nature of its operations does not support this.	
PR3 (core) Product / service information and labelling		As TCS is a service-oriented company, the nature of its operations does not support this.	
PR4 (additional) Information and labelling non-compliance		As TCS is a service-oriented company, the nature of its operations does not support this.	
PR5 (additional) Policy and compliance for customer satisfaction		Customer Satisfaction and Dissatisfaction	122
PR6 (additional) Procedures for advertising and promotion		Marketing Communications	127
PR7 (additional) Advertising and promotion non-compliance		None	
PR8 (additional) Number of substantiated complaints relating to breaches of customer privacy regulations	Principle 1	Customer Satisfaction and Dissatisfaction	124
PR9 (additional) Value of fines relating to breaches of customer privacy regulations		None	

Contact Information

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