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'INVESTMENTS IN CLOUD, 5G IOT TO CONTINUE'

K Krithivasan, who on Wednesday took over as the CEO and MD of Tata Consultancy Services (TCS), said he sees an “exciting new journey” for India’s largest IT services firm. “I look forward to connecting with you in the near future as I embark on this exciting new journey,” he said in an email to TCS employees.



Investments in Cloud, 5G IoT to continue: TCS CEO

Exciting new journey ahead, says Krithivasan in first mail to employees after taking charge

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Mumbai, 1 June

K Krithivasan, who on Wednesday took over as the CEO and MD of Tata Consultancy Services (TCS), in an email to employees said he sees an "exciting new journey" for India's largest IT services firm.

"As we step into the next phase of TCS, we will continue our investments in key and emerging areas like Cloud, cyber security, 5G, IoT, Generative AI etc. with an unrelenting focus on customer relationship and impeccable delivery," he said in an email to TCS employees.

"I look forward to connecting with you in the near future as I embark on this exciting new journey," he said. The company's share prices were up by 1 per cent at ₹3,323 per share.

Krithivasan earlier led the

company's largest vertical, BFSI (banking, financial services and insurance), and has held roles in delivery, sales, client management, and business management.

"I have had the opportunity to work with many of you and built long-lasting friendships, which I cherish the most. I have also had the opportunity to work with many of our key clients across different geographies and build deep customer relationships. I step into this

role on the strength of these friendships and relationships," he said.

Krithivasan — the fifth CEO of TCS in its 55 years of history — is taking charge at a time the industry is managing the emergence of generative AI and an uncertain macroeconomic environment.

TCS CAGR growth over the last five years has gone up, but compared to its closest peer in India, it has lagged. TCS growth has slowed down and some of its peers such as Infosys have done better. TCS' compounded annual growth rate (CAGR) over the last five year has

been 11.4 per cent. For the same period, Infosys grew at 13.5 per cent and HCLTech also managed to clock 13.5 per cent.

Of course, TCS managed to grow faster than Accenture, which grew at 10 per cent CAGR. The industry's growth environment has also changed, though it recorded double-digit rise when Covid-induced lockdowns boosted demand for digitisation, but it now faces subdued expansion.

According to a report by ICRA, the growth rate for the sector in FY24 is expected to be in mid-single digits. Growth is slowing also because BFSI, the largest revenue contributor for all major IT services firms, has been under stress due to headwinds in the US and Europe.

While the analyst community is confident that Krithivasan brings in the much required continuity and also has been at the helm of the largest vertical, it has to be seen how he will steer the giant which touched \$27.8 billion in revenue in FY23 and with a headcount of 614,795 to a faster pace of growth.



“AS WE STEP INTO THE NEXT PHASE OF TCS, WE WILL CONTINUE OUR INVESTMENTS IN EMERGING AREAS... WITH UNRELENTING FOCUS ON CUSTOMER RELATIONSHIP”

K Krithivasan, CEO & MD Tata Consultancy Services