

Update 1: TCS - Reduces Pay Package for Top Executives During FY 2019-2020 Due to COVID-19 Uncertainties

- TCS's latest annual report indicated a drop in salary to its Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer during the fiscal 2019-2020
- The salary reduction is due to business uncertainty triggered by the COVID-19 pandemic
- Chief Executive Officer, Rajesh Gopinathan's income dropped to ~US\$1.8 M (INR133 M) in FY ended March 31, 2020 from ~US\$2.2 M (INR160.04 M) in the previous financial year
- Gopinathan's compensation included ~US\$0.18 M (INR13.5 M) in salary, ~US\$0.17 M (INR12.9 M) as perquisites, ~US\$1.3 M (INR100 M) in commission and about ~US\$950,000 (INR7.2 M) from other allowances
- Chief Operating Officer N Ganapathy Subramaniam's income dropped to ~US\$1.34 M (INR101 M) from ~US\$1.6 M (INR116 M)
- Chief Financial Officer V Ramakrishnan's income dropped to ~US\$0.53 M (INR39.8 M) from ~US\$0.55 M (INR41.3 M)
- The total compensation for Independent and other Executive Directors fell to ~US\$1.2 M (INR92 M) from ~US\$1.64 M (INR124.3 M)

Source(s)

<https://economictimes.indiatimes.com/tech/ites/tcs-ceo-pay-package-reduces-16pc-to-rs-13-3-cr-in-fy20/articleshow/75845798.cms>
<https://infotechlead.com/bpo/tcs-salary-to-ceo-coo-and-cfo-dropped-61416>

Targets Affected:

TCS

Guidance

Actions to consider:

Consider implementing suggested actions related to 'Layoffs/Pay Cuts/Freezing of Hiring, Promotions, Appraisals, and Bonuses' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

April 17, 2020

Medium

[TCS - Freezes Salary Increase Amid
Coronavirus Outbreak; Confirms No
Layoffs](#)

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.