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Counterparty risk report
Sample — derived from our published investigations

201 public signals, six platforms, January 2024 – September 2025.

Peers: Infosys, Wipro, HCLTech — matched on industry and size. 501 signals, same period.

1 Assessment

1.1 **Security-function strain is the outlier category.** 16 of TCS's 201 public signals (8.0%) come from employees in security roles — against 3.3% at Wipro, 3.2% at HCLTech and 0.6% at Infosys. Tech and security dysfunction accounts for 33.8% of TCS's signals; no peer exceeds 17.0%. Over the same period TCS held an A grade (90+) on SecurityScorecard with a social-engineering subscore of 100/100. M&S was breached in April 2025, JLR in August 2025.

1.2 **Organizational instability is heavy but industry-typical in form.** Attrition ran 12–21% a year across 2022–2025 — 70,000–130,000 people a year on a ~600,000 workforce — with headcount down more than 5,000 by January 2025 and 80,000 positions reported unfilled in June 2024. The distinctive feature is the hollowing of the mid-level tier that does the delivery work.

1.3 **Financial distress expresses itself as compensation compression, not insolvency.** Entry pay flat at ₹3.36 lakh (≈£2,900) a year, raises reported below 2% across 2024–25, recurring cuts to variable pay, and a $194.2M US court penalty in July 2024.

1.4 **Service degradation is corroborated from the client side.** After a helpdesk transition, a client-side administrator documented ticket queues at three to four times their normal average for at least six months.

This report documents operational strain visible in the public record. It does not claim the strain caused either breach. Method, limitations, and every source used appear in Appendix A.

A signal is one dated, role-tagged public post by an employee or customer of the company. Sentiment is discarded.

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2 Organizational instability

TCS loses between 70,000 and 130,000 employees a year — attrition of 12–21% across 2022–2025 on a workforce of roughly 600,000. By January 2025 headcount was down more than 5,000; in June 2024, 80,000 open positions were reported unfilled. Churn at this scale is common to the sector. What the signals localize is **where** the churn concentrates: the experienced mid-level tier, replaced by first-year hires.

Attrition	Departures	Headcount	Open positions
12–21%	**70–130k**	**–5,000+**	**80,000**
per year, 2022–2025	people per year	by Jan 2025	reported Jun 2024

Table 2.1 Selected signals. Numbers refer to the source register, Appendix A.

No.	Date	Signal	Source
01	**Jul 2024**	"They really have a mid-level employee crisis... Anyone who upskills will leave." Employee	X (Twitter)
02	**May 2025**	"Talent leaving organization and freshers/sub-optimal talent replacing them." Senior Consultant, 20+ years' tenure	Indeed
03	**Jan 2024**	"Disorganized, little onshore leadership, constant company re-orgs, poor employee communication, slow and outdated systems." Employee	Glassdoor

Signal 03 carries two category labels in the dataset — organizational instability and tech and security dysfunction. Multi-label signals are common: 36 of the first 100 collected signals carry more than one category. Shares are computed by label, and the report says so when one signal informs two sections.

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3 Tech and security dysfunction

Sixteen of TCS's 201 public signals (**8.0%**) come from employees in security roles; the category as a whole accounts for **33.8%** of all TCS signals. Between April and October 2024, eight security-role employees in eight cities described poor management, low compensation, or operational dysfunction. Employees also reported modern development tools blocked internally.

Over the same period TCS held an A grade (90 or above) on SecurityScorecard, with a social-engineering subscore of 100 out of 100. M&S was breached in April 2025, JLR in August 2025.

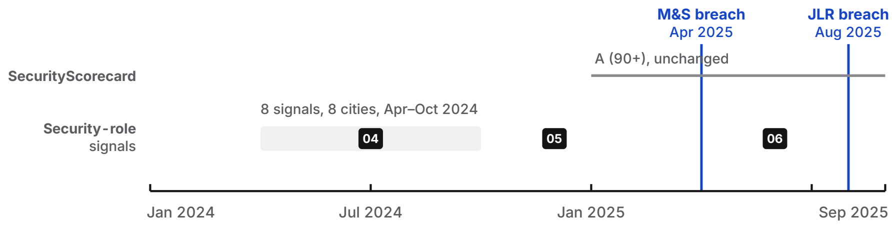

Figure 3.1 TCS's SecurityScorecard grade against security-role signals in the public record. Numbered marks are rows of Table 3.1. The report does not claim causation.

Table 3.1 Selected signals.

No.	Date	Signal	Source
04	**Jul 2024**	"Low salary. Management issues. Slow incident response." SOC Analyst 2, New Delhi — employee	AmbitionBox
05	**Dec 2024**	"My profile is being pitched to clients as Cyber security analyst (which is something I have never done in my life)." Consultant, auditing background — employee	AmbitionBox
06	**Jun 2025**	"SOC's sleeping on SIEM alerts, basic security practices being ignored, outright lies during audits." Red-team operator — third party	r/cybersecurity

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4 Financial distress

The distress in TCS's public record is not solvency — it is sustained compression of what the company pays the people who deliver the work. Entry-level pay has been flat at ₹3.36 lakh (≈£2,900) a year; raises below 2% were reported across 2024–25; reviews from January 2024 onward cite quarterly variable-pay deductions of 20–30%. In July 2024 a US court ordered TCS to pay a $194.2M penalty for trade-secrets misappropriation.

Sector context: employee costs reached 58% of operating income across ICRA's five-firm sample in FY24, up from roughly 54% in FY21 — the industry-wide squeeze that compensation compression passes through to staff. Section 6 shows how the same squeeze expressed differently at each peer.

Entry pay	Raises	Variable pay	Court penalty
₹3.36 lakh	**<2%**	**−20–30%**	**$194.2M**
≈ £2,900 a year, flat	reported 2024–25	quarterly deductions reported	US, Jul 2024

Table 4.1 Selected signals.

No.	Date	Signal	Source
07	**Jan 2024**	"They deduct variable pay 20-30 percent every quarter. Keep your April 23 pay slip ready..." Employee	Glassdoor
08	**Apr 2024**	"There is no increment for the first 2 years... Employees in grade C3 or higher may lose quarterly variable pay." Employee	Glassdoor

5 Service degradation

Customer-side signals matter more than employee complaints, because the author has no employment grievance and describes measurable service outcomes. The strongest signal in this window is a client-side systems administrator documenting a helpdesk transition: onboarding investment on the client's side, then a ticket queue at three to four times its normal average for at least six months.

Table 5.1 Selected signals.

No.	Date	Signal	Source
09	**Sep 2024**	"We spent 100+ hours of training to onboard them, then when we handed over the ticket queue was somewhere between triple/quadruple its normal average and stayed that way for at least 6 months." Systems administrator, client side — customer	r/sysadmin

One signal is thin evidence on its own, and the report treats it that way: the category is rated by its corroboration, not its volume. What raises its weight here is convergence — the client-side account matches what sections 2 and 3 predict from the inside (mid-level attrition and skills-agnostic staffing on delivery teams), and it is the mechanism by which internal strain becomes visible to the companies that depend on TCS.

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6 Peer comparison

Infosys, Wipro, and HCLTech share TCS's business model, client base, and cost-to-serve structure, and are named alongside TCS in virtually every FY25 analyst note. All four faced the same macro pressure: seven consecutive quarters of negative net headcount through Q1 FY25, sector growth of 3.6% against 9.3% worldwide IT-spending growth, and ~3.5% pricing erosion on renewals. The comparison asks one question: under identical pressure, where did each company's strain concentrate?

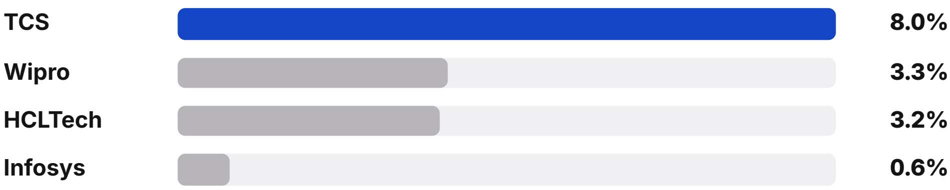

Figure 6.1 Security-role complaints as a share of each company's public signals, Jan 2024 – Sep 2025. Category-level: tech & security dysfunction is 33.8% of TCS's signals, 17.0% at Infosys, 11.1% at HCLTech, 9.8% at Wipro.

Table 6.1 Where each peer's strain concentrated instead.

No.	Company	Signal	Source
10	**Wipro**	"It's bench policy is very bad and sometimes feeling insecure, if you will not get project within 45 days after one project over, you will be on LOP for 90 days then company will kick you out." SAP MM functional consultant — Dec 2024 · one of 18 documented bench-policy posts	AmbitionBox
11	**Infosys**	"Called for meeting and made to resign in front of HR and legal rep." Employee — Sep 2024 · 700 campus recruits terminated Feb 2025	TheLayoff.com
12	**HCLTech**	"HCL is forcing rebadged Verizon employees to submit for other jobs when FMO'd... if not they're saying you voluntarily resign." Rebadged employee — May 2025 · 11 posts across 12 months after the $2.1B Verizon deal	TheLayoff.com

Each peer shows real strain — bench-policy fear at Wipro, induced exits at Infosys, rebadge unwinding at HCLTech. What the 501-signal peer dataset does not contain is what TCS's does: a cluster of security-role employees describing dysfunction in their own function. The finding is not that TCS was under pressure. It is where the pressure surfaced.

A Source register

Table A.1 Signals cited in this sample. In delivered reports each row links to the original post; here each links to the published investigation it appears in.

No.	Date	Company	Platform	Role / vantage	Used in
01	Jul 2024	TCS	X (Twitter)	Employee	§2
02	May 2025	TCS	Indeed	Senior Consultant	§2
03	Jan 2024	TCS	Glassdoor	Employee	§2
04	Jul 2024	TCS	AmbitionBox	SOC Analyst 2 — employee	§3
05	Dec 2024	TCS	AmbitionBox	Consultant, auditing background — employee	§3
06	Jun 2025	TCS	r/cybersecurity	Red-team operator — third party	§3
07	Jan 2024	TCS	Glassdoor	Employee	§4
08	Apr 2024	TCS	Glassdoor	Employee	§4
09	Sep 2024	TCS	r/sysadmin	Systems administrator — customer	§5
10	Dec 2024	Wipro	AmbitionBox	SAP MM functional consultant — employee	§6
11	Sep 2024	Infosys	TheLayoff.com	Employee	§6
12	May 2025	HCLTech	TheLayoff.com	Rebadged employee	§6

Method

A signal is one dated, role-tagged public post by an employee or customer of the company. Sentiment is discarded; each signal is classified into one of four categories: organizational instability, tech and security dysfunction, financial distress, service degradation. TCS: 201 signals across six platforms (AmbitionBox 48%, Reddit 15%, X/Twitter, Glassdoor and others 37%), January 2024 – September 2025. Peers: 501 signals, same window, same method.

Non-signal sources

SecurityScorecard grades; breach dates from press reporting; workforce and attrition figures from company disclosures; the July 2024 court penalty from US court records; sector figures from ICRA and analyst notes.

Limitations

This study was run after the breaches were public; we cannot claim the signal would have identified TCS prospectively. Collection was manual, and raw counts carry collection bias that volume-level comparison cannot rule out. Share-of-signals comparisons are used for this reason. The report documents operational strain; it does not claim the strain caused any breach.

Published investigations

counterpartywatch.substack.com — “TCS had a perfect security score. Then M&S and JLR were breached” (Feb 2026); “TCS’s peers are stressed too. Their security teams aren’t” (May 2026).