

COLLABORATE LEAD CHANGE
INTEGRITY EXCELLENCE COMMITMENT SCOPE FOCUS ON MERITOCRACY VALUES
AGILITY PERFORMANCE ONE TWO THREE REALIZE YOUR POTENTIAL
ETHIC CONSISTENCY TRANSPARENCY RIGOUR ASPIRE CONFIDENCE
INNOVATION FOCUS DATA-DRIVEN CONCERN FOR SAFETY SECURITY DNA
BE RIGOROUS EXCEED EXPECTATIONS DIVERSE LEAD
AMBITIOUS HONESTY RELIABILITY CHANGE
INCLUSIVE LEARN & SHARE INCLUSIVE

ANNUAL | 2013
REPORT | 2014





A global organisation is a summary of many things. People, places, cultures, geography, holidays, quirks, humour, joy and sorrow. It becomes a melting pot; a universe of its own where scores of people who perhaps have never seen each other, heard or spoken to each other, are connected by common bonds that transcend boundaries: A shared spirit; common goals; and a passion to excel. The organisation becomes much more than just an economic entity. It becomes a community with its own eco-system. Like one nation, with no geographical boundaries.

Now imagine 300,000 people from 118 nationalities, living and working in 46 nations, speaking more than a 100 languages but a culture and DNA that is one.

That, is the phenomenon that is TCS.

A TCSer today is a Dutch Antillean, he/she is a French Polynesian or a Kazakh, or a Latvian. TCSers living in Ecuador and Norway wake up in the morning and head to their workplaces with a common goal, sharing a common lexicon and ideal – that is the extraordinary extent of this company.

It is an organisation that defies borders and pushes the horizon. Be it Nigeria or New Zealand, Philippines or Peru, we are, in the end, oneTCS.

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Board of Directors

(Standing - Left to Right)

O P Bhatt

Director

A Mehta

Director

I Hussain

Director

V Thyagarajan

Director

P A Vandrevala

Director

Photo taken at TCS Seven Hills
Campus, Cincinnati, Ohio, USA

(Seated - Left to Right)

V Kelkar

Director

C M Christensen

Director

N Chandrasekaran

Chief Executive Officer
and Managing Director

C P Mistry

Chairman

S Ramadorai

Vice Chairman

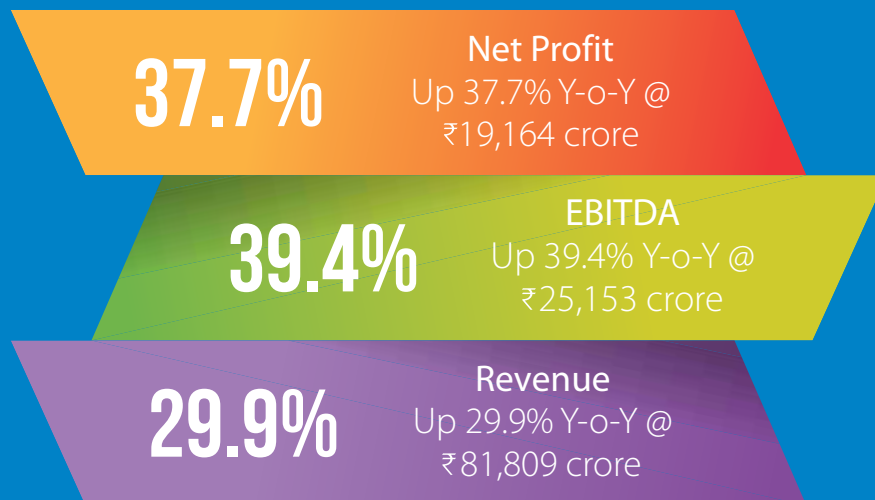
R Sommer

Director

TATA CONSULTANCY SERVICES



Financial Highlights



TCS: A Power Brand



Source: Brand Finance
Global 500 Study 2014.
Prepared exclusively for
Tata Consultancy Services

Our Leadership Team



A Mukherjee

Executive Vice President and Global Head - HR



N Chandrasekaran

Chief Executive Officer and Managing Director



R Gopinathan

Chief Financial Officer

Letter from CEO



Dear Shareholders,

Your Company posted another stellar performance in 2013-14 and continued to maintain its growth momentum to record consolidated revenue of ₹81,809 crore (up 29.9%), while the disciplined approach to operations helped your Company post net profit of ₹ 19,164 crore (up 37.7%) and realise a strong margin of 23.4% (up 134 bps).

Your Company has continued the practice of consistently rewarding its shareholders, with dividends. This year, the total dividend is ₹ 32 per share, including ₹ 20 per share proposed as final dividend. Earnings per share increased from ₹ 70.99 in the previous financial year to ₹ 97.67.

This strong performance would not have been possible without the

energy and commitment of over 300,000 TCsers, whose passion for technology and dedication to the customer, is unparalleled in this industry.

Your Company's services portfolio continued to grow, with an increase in customer base across all revenue bands. For instance, in 2013-14, the number of customers in US\$ 1 million plus band increased to 714 (addition of 76 new customers) and in the US\$ 100 million plus band to 24 (addition of 7 new customers).

I take this opportunity to describe the recent key technology trends and their tremendous transformative impact on society, business and communities. It is my belief that the clutch of new technologies - Mobility,

Big Data, Social Media, Cloud Computing and Robotics – what we refer to as the “Digital Five Forces”, is rapidly changing the world around us. It is shaping how we interact, respond and connect with one another as individuals or as companies and even as governments.

At a macro level, global IT spending continues to grow year-on-year and it is my firm belief that the Digital Five Forces are going to accelerate this trend, as IT usage increases across industries. The on-going investment of your Company, in these recent trends, will enable it to play an impactful role, in this technology revolution.

From an industry perspective, the impact of the Digital Five Forces on

the world around us, will be of a higher magnitude than the technology cycles, like e-business and enterprise systems that have driven business in previous decades. Those technologies helped digitally enabled global corporations to connect their supply chains and promoted efficiency through better information flow across organisations. What the Digital Five Forces are doing, is to complete the entire transaction loop, by bringing in the most important element of business, namely, the individual consumer.

To illustrate this impact and demonstrate the transformation, I would like to use Healthcare as an example. Healthcare will no longer remain a reactive exercise, as it is today. For long, we have been used to seeing a doctor, only when we fall ill. Health is our most precious asset, and sometimes we notice the problem only once it impacts our lifestyle. This scenario is changing fast.

Looking after our health will become an on-going planned activity. Wearable devices, that collect information from the human body and monitor health 24/7, are becoming accessible to consumers in a form that can be easily adopted. This data will be collected and transmitted through smart phones; stored in the cloud; analysed and compared with other patients using big data techniques and smart analytics. If something of concern crops up in these continuous diagnostics, the family doctor or a clinic will be notified. They will be able to access the patient's data online and make the diagnosis while viewing all the relevant patient information, including family medical history, in just a few clicks. The doctor will then send a direct message to the patient, through private channel on social media

platform or SMS, suggesting immediate corrective action, or even a personal visit. And that's not all. Patients will be able to define their peer set of friends, acquaintances and family to emulate and see the relative fitness of this group. Hence, the healing can start before the onset of harm.

This is how the Digital Five is helping us re-imagine healthcare.

Similar transformations are simultaneously being witnessed in multiple industries. Your Company is playing a pivotal role in this re-imagination journey, with many of its customers across markets and industries. By investing early, your Company has built up significant scale in capabilities across the Digital Five Forces. We continue to build our Intellectual Property in these areas as well.

I believe, the capabilities built in this area will ensure that your Company continues to remain relevant to the customers. I expect our strengths in these areas to be a major driver of revenue and profitability in the future.

Your Company is also investing in the Digital Five Forces to create the next-generation social organisation, which engages all employees, regardless of location, while making them more productive and energised.

With a fast expanding organisation that has inducted and integrated over 50,000 new professionals in the past 12 months, your Company continues to be recognised as a benchmark brand for IT professionals. At around 90%, it has the highest retention rate in the industry, globally. Your Company continues to invest in capabilities of TCSers, through training in new technologies, engaged collaboration

on social platforms and a well appreciated reward and recognition programme.

Rigorous R&D in your Company is leading to innovation in tools, products and platforms, resulting in more Intellectual Property Rights (IPR) being created. We have increased our patent filings significantly; so far 1,746 patent applications have been filed, of which, 114 have been granted.

Your Company continues to invest in green and intelligent world-class infrastructure and campuses in Tier I as well as Tier II cities in India and also across the world.

In 2013-14, your Company set up a unique initiative in Saudi Arabia by launching the world's first all-women Business Process Services unit. Your Company is investing on an on-going basis, to build its brand in key markets. I am delighted to inform you that your Company has become the Title Sponsor of the TCS New York City Marathon, which is one of the world's largest and most famous long-distance races.

I am also happy to report, that your Company was recognised world wide, for its leadership and excellence, across various dimensions, by influencers, customers and media.

On behalf of the entire Company and its leadership team, I want to thank all shareholders for their co-operation and commitment. I look forward to your continued support, as your Company embarks on the next phase of its growth journey.

Warm regards
N Chandrasekaran
Chief Executive Officer and
Managing Director
May 21, 2014

Customers Speak



TCS North America Customer Summit - 2013



World Economic Forum (DAVOS) - 2014



TCS Australia & New Zealand Customer Summit - 2013

"TCS has been a very strategic partner for us... They've helped us deliver on so many key business results, as a new, stand-alone company. They have worked diligently with us to identify where we need to be in terms of our business systems, infrastructure, application portfolio."

Ray Lowry
Chief Information Officer,
McGraw Hill Education

"Anything is possible, from modifying our architecture to a complete provider and system switch. In TCS, we have unearthed a partner with whom we can collaborate on any technology, no matter what direction we choose to take."

Otmar Preisinger
IT Director, SCM Planning Services,
Infineon Technologies AG

"We needed a partner, who had the right people, the right behaviour, and the culture that would really gel with National Grid's own culture to make this a success."

Jon Carlton
Director of Shared Services,
National Grid (UK)

"TCS certainly deserves a word of appreciation and congratulations for helping us to deploy a system that has a high degree of complexity within the deadline of about nine months."

Rui Marcelo
CIO, Application Services,
CTM

"The Global Network Delivery Model proved to be very efficient. With the experience we gained we are now looking at other areas where we can replicate this process, achieving even more benefits."

Marc Groot Rouwen
Vice President,
Head of Back Office Application Services,
ING Bank

"Over the years, TCS has built processes and knowledge of our systems and shown us that they can deliver on large-scale projects. The real differentiating factor is TCS' processes and efficiencies they bring to the table, not just once in a while, but every day."

Gerard Insall
CIO,
ABG

Associates Speak



TCS is a place that brings people from across the planet together, working for a common goal and sharing a common passion. It is a place that delights with diversity and inspires with diligence. It is also a place that surprises us, makes us realise how different we are and yet how similar, how varied our cultures and yet, how unyielding our ambition. As a few of our associates share their thoughts, we realise how diversity creates a workforce that is efficient, open, and sensitive.



No matter where we are, and how different,
We have more things in common than we can imagine

"We all want the same things in life. We want our families secure, have the opportunity to work but above all, we all like to interact in a social way and everybody learns from one another. Working in TCS is like working abroad but staying at home, the best of two worlds."

Bertus
South Africa

"Working remotely, with almost 100 percent of my team distributed in different worldwide locations, would never be possible without a good and constant team communication that the associates at TCS have."

Carolina
Montevideo

"The diversity in TCS gives everybody the chance to overcome misconceptions, stereotypes and the like. There is a need to monitor one's thoughts against generalisation. Once generalisation stops, respect grows."

Marc-Andre
Montreal

A diverse workforce that helps realise our potential

"Diversity in the different responsibilities I have had over the years with TCS as well as the diversity in the different geographies I have worked in, have helped me to continue my road to realise my potential"

Merijn
Amsterdam

"If I were to be employed by a company that lacks this wealth of diversity, I would feel like I was going backwards. Plus, I would be miserable, surrounded by people only like me!"

Karen
Iselin

"Be it the unsung heroes working 24x7 in production support or the team leader who stays late to coach and mentor. The atmosphere at TCS is humbling."

Alasdair
Sydney

A place where people are sensitive towards cultures, Open to ideas and understand the value of collaboration and teamwork

"Different cultures and personalities have different ways of interacting with the customers and I feel all such interactions have some learning to offer. It not only helps me enhance my professional communication skills but also helps me leverage the skills of my team most effectively."

Amit
London

"(It's a) sort of company that truly values its employees—something that is very hard to do in a large organisation."

Jeffrey
Cincinnati

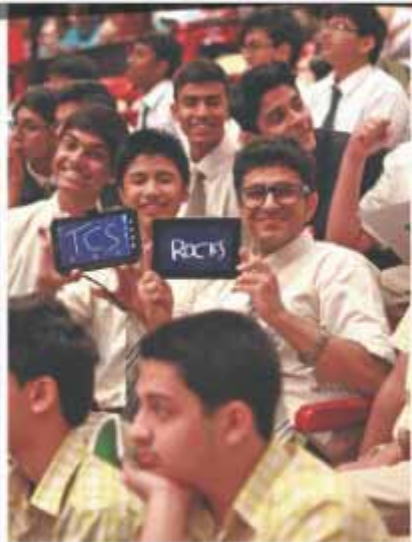
At TCS, people are in different locations and time frames; you need to be flexible about things like setting up appointments and travelling. Also, you do not assume anymore that your own interpretation of things always match with thoughts of others.

Fiona
Amsterdam

Community



goIT program - a STEM Education initiative



TCS IT Wiz - India's biggest inter-school quiz programme on IT



TCS signs as a title sponsor for New York City Marathon

Adult Literacy Program

"The best thing about being literate is that I know I can become a better person."

Ajay, 25 years

(A part of TCS' Adult Literacy Programme)
Central Jail, Tihar, New Delhi, India

TCS Maitree Village Development Programme

"TCS Maitree has shown us a new way of looking at life... given us the confidence and the strength to start a small trading unit within our village... we can now contribute to our household income."

Surekha Masane, Trainee at the
TCS Maitree Women's
Empowerment Programme

goIT, North America

"It is an honour to applaud the leadership of TCS working with STEMconnector®. Working together, we set several goals as we built the projects, partnerships, produced major reports and built metrics for each other. Our team is motivated to drive change and we do that together as partners."

Edie Fraser, CEO STEMconnector®

City Ambassadors Football Club (ICA FC), Africa

"Our continuous working relationship (with TCS) can change these children's lives for the better even if it is, 'one child at a time'."

John Maluleke, ICA FC Chairperson

TCS- Landmark training initiative, Middle East

"The TCS team is very good at training. They have helped us learn computers by paying attention to each individual's requirement. My confidence levels are much better now leading to better performance and growth opportunities."

Umer Sherif

Go Green

Out of a total of about 6 lakh shareholders, almost 50% receive shareholder communications by e-mail. We encourage the other shareholders to register their e-mail addresses and save trees by promoting "Green Initiative"

Committed to the Future



His Excellency
Li Keqiang,
the Honorable Premier of
the People's Republic of
China, visits one of
TCS' global software
development centre
in Mumbai, India
on 21st May, 2013



Prime Minister of India,
Dr. Manmohan Singh, laying
the foundation stone for the
world's largest training center,
TCS Learning Campus,
in Thiruvananthapuram, India
on 2nd January, 2014



Chief Minister of Gujarat,
Shri Narendra Modi,
inaugurating the new
TCS Gandhinagar Campus
in Gujarat, India
on 16th November, 2013

Board of Directors

Cyrus Mistry (*Chairman*)

S Ramadorai (*Vice Chairman*)

N Chandrasekaran (*CEO and Managing Director*)

Aman Mehta

V Thyagarajan

Prof. Clayton M Christensen

Dr. Ron Sommer

Dr. Vijay Kelkar

Ishaat Hussain

Phiroz Vandrevala

O. P. Bhatt

Company Secretary

Suprakash Mukhopadhyay

Statutory Auditors

Deloitte Haskins & Sells LLP

IFRS Auditors

Deloitte Haskins & Sells LLP

Registered Office

9th Floor, Nirmal Building

Nariman Point, Mumbai 400 021

Tel : 91 22 6778 9595

Fax : 91 22 6778 9660

Website : www.tcs.com

CIN : L22210MH1995PLC084781

Corporate Office

TCS House

Raveline Street, Fort

Mumbai 400 001

Tel : 91 22 6778 9999

Fax : 91 22 6778 9000

E-mail: investor.relations@tcs.com

Registrars & Transfer Agents

TSR DARASHAW Private Limited

6-10, Haji Moosa Patrawala Industrial Estate

20, Dr. E. Moses Road, Mahalaxmi

Mumbai 400 011

Tel : 91 22 6656 8484

Fax : 91 22 6656 8494

E-mail: csg-unit@tsrdarashaw.com

Website: www.tsrdarashaw.com

Management Team

Function	Name
Corporate	
Chief Executive Officer & Managing Director	<i>N Chandrasekaran</i>
Finance	<i>Rajesh Gopinathan</i>
Human Resources	<i>Ajoyendra Mukherjee</i>
Company Secretary and Treasury	<i>Suprakash Mukhopadhyay</i>
Marketing	<i>John Lenzen</i>
Communication	<i>Pradipta Bagchi</i>
Research & Development	<i>K Ananth Krishnan</i>
Legal	<i>Satya Hegde</i>
Compliance	<i>Ravindra J Shah</i>
Geography Heads	
North America, United Kingdom and Europe	<i>Surya Kant</i>
Latin America	<i>Henry Manzano</i>
India, Asia Pacific, Middle-East & Africa	<i>Ravi Viswanathan</i>
Industry Service Units	
Banking & Financial Services	<i>K Krithivasan</i> <i>Ramanamurthy Magapu</i> <i>Susheel Vasudevan</i>
Insurance and Healthcare	<i>Suresh Muthuswami</i> <i>P Syama Sundar</i>
Life Sciences, Energy Resources and Manufacturing	<i>Debashis Ghosh</i> <i>Jayanta Banerjee</i> <i>Milind Lakkad</i>
Telecom, Media, Hi-Tech and Utilities	<i>AS Lakshminarayanan</i> <i>N Sivasamban</i> <i>V Rajanna</i> <i>Kamal Bhadada</i> <i>Nagaraj Ijari</i> <i>Sudheer Warriar</i>
Retail & CPG and Travel & Hospitality	<i>Pratik Pal</i> <i>S Sukanya</i>
Government	<i>Tanmoy Chakrabarty</i>
Strategic Growth Units	
TCS Financial Services	<i>NG Subramaniam</i>
iON	<i>Venguswamy Ramaswamy</i>
Platforms	<i>Raj Agrawal</i>
Service Units	
Global Consulting Practice	<i>J Rajagopal</i>
Engineering & Industrial Services	<i>Regu Ayyaswamy</i>
Infrastructure Services	<i>P R Krishnan</i>
Business Process Services	<i>Abid Ali Neemuchwala</i>
Global Delivery Network	<i>Gabriel Rozman</i>
Assurance Services	<i>Siva Ganesan</i>
Enterprise Solutions	<i>Krishnan Ramanujam</i>
Alliances	<i>Raman Venkatraman</i>
Digital Solutions	<i>Satya Ramaswamy</i>

Notice

Notice is hereby given that the nineteenth Annual General Meeting of Tata Consultancy Services Limited will be held on Friday, June 27, 2014 at 3.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020, to transact the following business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2013-14.
3. To declare Dividend on Redeemable Preference Shares for the financial year 2013-14.
4. To appoint a Director in place of Mr. Phiroz Vandrevala, who retires by rotation and, being eligible, offers himself for re-appointment.
5. Appointment of Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

6. **Appointment of Mr. V. Thyagarajan as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. V. Thyagarajan (DIN 00017541), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from June 27, 2014 up to June 26, 2019."

7. **Appointment of Prof. Clayton M. Christensen as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Prof. Clayton M. Christensen (DIN 00020111), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from June 27, 2014 up to June 26, 2019."

8. **Appointment of Dr. Ron Sommer as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Dr. Ron Sommer (DIN 00621387), a non-executive Director of the Company, who has submitted

a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from June 27, 2014 up to June 26, 2019."

9. Appointment of Mr. O. P. Bhatt as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. O. P. Bhatt (DIN 00548091), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from June 27, 2014 up to June 26, 2019."

10. Appointment of Dr. Vijay Kelkar as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Dr. Vijay Kelkar (DIN 00011991), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from June 27, 2014 up to May 14, 2017."

11. Appointment of Mr. Aman Mehta as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Aman Mehta (DIN 00009364), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from June 27, 2014 up to June 26, 2019."

12. Payment of Commission to Non Whole-time Directors of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing April 1, 2014."

13. Appointment of Branch Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, the Board be and is hereby authorized to appoint as Branch Auditors of any branch office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor within the provisions of section 143(8) of the Act and to fix their remuneration."

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2013-14

Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 13 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item No. 4 and Item Nos. 6 to 11 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Tuesday, June 10, 2014 to Friday, June 13, 2014, both days inclusive.
4. If the Final Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on Friday, July 4, 2014 as under:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on June 9, 2014;
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on June 9, 2014.

In respect of Redeemable Preference Shares (RPS), which were redeemed on March 28, 2014, dividend will be paid on pro-rata basis for the period April 1, 2013 to March 27, 2014 to the holder of RPS whose name appeared on the Company's Register of Members on March 27, 2014.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, TSR DARASHAW Private Limited (TSRDPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSRDPL.
6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSRDPL for assistance in this regard.
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or TSRDPL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
10. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company and erstwhile TCS e-Serve Limited, which has amalgamated with the Company, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2014, nor shall any payment be made in respect of such claim.

Members who have not yet encashed their dividend warrant(s) pertaining to the Final Dividend for the financial year 2006-07 onwards for the Company and erstwhile TCS e-Serve Limited are requested to make their claims without any delay to TSRDPL. It may be noted that the unclaimed Final Dividend for the financial year 2006-07 declared by the Company on June 29, 2007 can be claimed by the shareholders by June 28, 2014 and unclaimed Final Dividend for the financial year 2006-07 declared by TCS e-Serve Limited on December 12, 2007 can be claimed by the Members by December 11, 2014. Members' attention is particularly drawn to the "Corporate Governance" section of the Annual Report in respect of unclaimed dividend.

11. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TSRDPL/Depositories.
13. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - i. Open the e-mail and also open PDF file namely "TCS e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Tata Consultancy Services Limited which is 100215. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to tcs.scrutinizer@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
 - i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2013-14

C. Other Instructions:

- i. The e-voting period commences on Saturday, June 21, 2014 (9.00 a.m. IST) and ends on Monday, June 23, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on May 9, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on May 9, 2014.
- iii. Mr. P. N. Parikh, Practicing Company Secretary (Membership No. FCS 327), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. P. N. Parikh, Practicing Company Secretary, (Membership No. FCS 327), at the Registered Office of the Company not later than Monday, June 23, 2014 (6.00 p.m. IST).

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investor.relations@tcs.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Monday, June 23, 2014 (6.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tcs.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the nineteenth AGM of the Company on June 27, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors

SUPRAKASH MUKHOPADHYAY

Vice President and Company Secretary

Mumbai, May 21, 2014

Corporate Identification Number (CIN) : L22210MH1995PLC084781

Registered Office:

9th Floor, Nirmal Building

Nariman Point

Mumbai 400 021

Tel: 91 22 6778 9595 Fax: 91 22 6778 9660

E-mail: investor.relations@tcs.com, Website: www.tcs.com

Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 13 of the accompanying Notice:

Item No. 5:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

Deloitte Haskins & Sells (DHS), (ICAI Firm Registration No. 117366W), Chartered Accountants (CAs), Mumbai were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on June 28, 2013. DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as Deloitte Haskins & Sells LLP (DHS LLP) with effect from November 20, 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for financial year 2013-14 was conducted by DHS LLP.

DHS LLP have been the Auditors of the Company since 2008-09 and have completed a term of six years. Prior to this, Messrs. S. B. Billimoria & Co. (SBB) were the Auditors of the Company from the financial year 2004-05 till financial year 2007-08. SBB was an associate of DHS LLP. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, DHS LLP, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on April 16, 2014, proposed the appointment of DHS LLP as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the twenty-second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 5 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

Item Nos. 6 to 11:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. V. Thyagarajan, Prof. Clayton M. Christensen, Dr. Ron Sommer, Mr. O. P. Bhatt, Dr. Vijay Kelkar and Mr. Aman Mehta, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nominations Committee has recommended the appointment of these directors as Independent Directors from June 27, 2014 up to June 26, 2019 (except Dr. Vijay Kelkar who retires on May 14, 2017 in accordance with the retirement age policy for Directors of the Company).

Mr. V. Thyagarajan, Prof. Clayton M. Christensen, Dr. Ron Sommer, Mr. O. P. Bhatt, Dr. Vijay Kelkar and Mr. Aman Mehta, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2013-14

A brief profile of the Independent Directors to be appointed is given below:

Mr. V. Thyagarajan is a B. Tech (Elec) from IIT Delhi and also holds an MBA from the Indian Institute of Management, Ahmedabad. In a career spanning 38 years, he has held numerous senior positions in GlaxoSmithKline including Marketing Consultant for Europe; Area Marketing Director for Middle East, Africa and Eastern Europe; Managing Director, India; Area Director for South East Asia and South Asia, finally retiring as Senior Vice President and Regional Director, Asia Pacific. He is currently Vice Chairman of GlaxoSmithKline, India and Board Member of Varian Medical Systems Inc., USA.

Prof. Clayton M. Christensen is the Kim B. Clark Professor of Business Administration at the Harvard Business School, with a joint appointment in the Technology and Operations Management and General Management faculty groups. Prof. Christensen holds a BA with highest honors in Economics from Brigham Young University (1975), and an M.Phil. in applied econometrics and the economics of less-developed countries from Oxford University (1977), as a Rhodes Scholar. He received an MBA with High Distinction from the Harvard Business School in 1979, graduating as a George F Baker Scholar. He was awarded his DBA from the Harvard Business School in 1992. In 1982, Prof. Christensen was named a White House Fellow, and served as assistant to the U.S. Transportation Secretaries Drew Lewis and Elizabeth Dole. A seasoned entrepreneur, Prof. Christensen has founded a number of successful companies - CPS Corporation, an advanced materials manufacturing company; Innosight, a consulting and training company and Rose Park Advisors, an investment firm; and a think tank, The Christensen Institute. He has also authored several management books and more than a hundred articles.

Dr. Ron Sommer began his professional career with the Nixdorf Group in New York, Paderborn and Paris. In 1980, he was appointed as Managing Director of the German subsidiary of the Sony Group. In 1986, he became Chairman of the Management Board of Sony Deutschland and was subsequently appointed President and Chief Operating Officer of Sony Corporation of America in 1990. From May 1995 to July 2002, he served as Chairman of the Management Board of Deutsche Telekom AG. Currently, he is on the Board of several companies in different countries like MTS OJSC in Russia and Munich Reinsurance in Germany. Dr. Sommer received his PhD degree in Mathematics from the University of Vienna, Austria.

Mr. O. P. Bhatt is a graduate in Science and a post graduate in English Literature. He has served as Chairman, State Bank Group, which includes State Bank of India (SBI), India's largest commercial bank; five associate banks in India; five overseas banks; SBI Life, the country's largest private life insurer; SBI Capital Markets, India's leading investment bank; SBI Fund Management; and other subsidiaries spanning diverse activities, from general insurance to custodial services. Mr. Bhatt led SBI during challenging times. Under his leadership, SBI rose on the global list rankings of Fortune 500. He was also Chairman of Indian Banks' Association, the apex body of Indian banks and has served as India's economic diplomacy as government's nominee on the India-US CEO Forum, Indo-French CEO Forum and Indo-Russia CEO Forum, forging links with a cross section of the world's business leaders. He is a Governor on the Board of Centre for Creative Leadership, USA. He was nominated Banker of the Year by Business Standard and Indian of the Year for Business in 2007 by CNN-IBN.

Dr. Vijay Kelkar is a PhD from the University of California at Berkeley. Dr. Kelkar joined the Planning Commission in 1973 and thereafter the Commerce Ministry in 1977 as Economic Advisor, and has since then served in various posts including Secretary to the Economic Advisory Council to the Prime Minister between 1985 and 1988. In 1994, he served as Petroleum Secretary and was made Finance Secretary in 1998. He was an executive director in the International Monetary Fund (IMF), overseeing its operations in South Asia during 2000-02. Dr. Kelkar has retired as Chairman, Finance Commission, in the rank of a Union Cabinet Minister. He has held several other key positions in the Government of India, amongst them Advisor to the Minister of Finance; Finance Secretary; Chairman, Tariff Commission and Secretary, Ministry of Petroleum and Natural Gas. He was elected as the Chairman of the Forum of Federations, Ottawa, Canada (2010-13). In January 2011, the President of India awarded Dr. Vijay L. Kelkar "PADMA VIBHUSHAN", the second highest Civilian Award for distinguished and exceptional service to the Nation.

Mr. Aman Mehta graduated from Delhi University with an Economics degree in 1967. He has over 36 years of experience in various positions with the HSBC Group, from where he retired in January 2004 as CEO, Asia Pacific. He has wide experience in the field of Banking and Finance. Mr. Mehta occupies himself primarily with corporate governance, with board and advisory role in a range of companies and institutions in India as well as overseas.

Other details of the Independent Directors whose appointment is proposed at Item Nos. 6 to 11 of the accompanying Notice, have been given in the annexure attached.

Mr. V. Thyagarajan, Prof. Clayton M. Christensen, Dr. Ron Sommer, Mr. O. P. Bhatt, Dr. Vijay Kelkar and Mr. Aman Mehta, respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

Item No. 12:

At the Annual General Meeting of the Company held on June 30, 2009, the Members had approved of the payment of commission to non Whole-time Directors of the Company not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from April 1, 2009. It is proposed to continue with the payment of Commission to non Whole-time Directors of the Company. Accordingly, it is proposed that in terms of section 197 of the Act, the Directors (apart from the Managing Director and Whole-time Directors) be paid, for each of the five consecutive financial years commencing April 1, 2014, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

All the Directors of the Company except the Chief Executive Officer and Managing Director are concerned or interested in the Resolution at Item No. 12 of the Notice to the extent of the remuneration that may be received by each of them.

Item No. 13:

The Company has branches outside India and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

The Board commends the Resolution at Item No.13 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No.13 of the accompanying Notice.

By Order of the Board of Directors

SUPRAKASH MUKHOPADHYAY

Vice President and Company Secretary

Mumbai, May 21, 2014

Corporate Identification Number (CIN) : L22210MH1995PLC084781

Registered Office:

9th Floor, Nirmal Building

Nariman Point

Mumbai 400 021

Tel: 91 22 6778 9595 Fax: 91 22 6778 9660

E-mail: investor.relations@tcs.com, Website: www.tcs.com

Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting

Particulars	Mr. P. A. Vandrevala	Dr. Vijay Kelkar	Mr. Aman Mehta	Mr. O. P. Bhatt	Prof. Clayton M. Christensen	Dr. Ron Sommer	Mr. V. Thyagarajan
Date of Birth	December 8, 1953	May 15, 1942	September 1, 1946	March 7, 1951	April 6, 1952	July 29, 1949	April 19, 1946
Date of Appointment	May 13, 2011	January 5, 2010	May 5, 2004	April 2, 2012	January 12, 2006	September 5, 2006	September 5, 2005
Qualifications	Bachelor's degree in Commerce (Honours), ACA	B.S. from University of Pune, M.S. from University of Minnesota, U.S.A., PhD in Development Economics from the University of California at Berkeley	Bachelor's degree in Economics from Delhi University	Graduate degree in Science, Post Graduate degree in English Literature (Gold Medal)	B.A. (Economics), M.Phil. (Economics), MBA and DBA from Harvard Business School	PhD in Mathematics	B. Tech (Elec) and M.B.A. from the Indian Institute of Management, Ahmedabad
Expertise in specific functional areas	Wide experience in the software industry	Retired senior bureaucrat in the Government of India	Wide experience in Banking and Finance	Wide experience in Banking and Financial Markets	Professor at Harvard Business School. Expertise in Technology and Operations Management and General Management	Wide experience in Telecom and Business	Wide experience in Marketing and Corporate Management in India and Overseas
Directorships held in other companies (excluding foreign companies)	<ul style="list-style-type: none"> Punj Lloyd Limited Jubilant FoodWorks Limited 	<ul style="list-style-type: none"> Lupin Limited JSW Steel Limited Green Infra Limited JM Financial Limited Britannia Industries Limited Go Airlines (India) Limited Tata Chemicals Limited CSIR-Tech Private Limited Indian Institute for Human Settlements 	<ul style="list-style-type: none"> Wockhardt Limited Jet Airways (India) Limited Godrej Consumer Products Limited Cairn India Limited Max India Limited 	<ul style="list-style-type: none"> Oil and Natural Gas Corporation Limited Hindustan Unilever Limited Tata Steel Limited 	Nil	<ul style="list-style-type: none"> Sistema Shyam TeleServices Limited 	<ul style="list-style-type: none"> GlaxoSmithKline Pharmaceuticals Limited Connexios Life Sciences Private Limited Indegene Lifesystems Private Limited
Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	Audit Committee <ul style="list-style-type: none"> Punj Lloyd Limited Shareholders/Investors Grievance Committee <ul style="list-style-type: none"> JM Financial Limited Lupin Limited* 	Audit Committee <ul style="list-style-type: none"> Wockhardt Limited Jet Airways (India) Limited* Godrej Consumer Products Limited Cairn India Limited* Shareholders/Investors Grievance Committee <ul style="list-style-type: none"> JM Financial Limited Lupin Limited* 	Audit Committee <ul style="list-style-type: none"> Wockhardt Limited Jet Airways (India) Limited* Godrej Consumer Products Limited Cairn India Limited* 	Audit Committee <ul style="list-style-type: none"> Hindustan Unilever Limited Oil and Natural Gas Corporation Limited Tata Steel Limited Shareholders/Investors Grievance Committee <ul style="list-style-type: none"> Hindustan Unilever Limited* Oil and Natural Gas Corporation Limited 	Nil	Nil	Audit Committee <ul style="list-style-type: none"> GlaxoSmithKline Pharmaceuticals Limited
Number of shares held in the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Chairman of the Committee

CONSOLIDATED FINANCIAL STATEMENTS **LEAD**
AMBITIOUS **HONESTY** BUSINESS **CHANGE**
INCLUSIVE RESPONSIBILITY REPORT
UNCONSOLIDATED MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS
FINANCIAL **LEAD DIRECTORS'** RESPONSIBILITY
STATEMENTS **REPORT** FOCUS **ASPIRE** SECURITY
AGILITY FOCUS **DNA** VALUES **RIGOUR** **DNA**
INNOVATION EXCELLENCE INTEGRITY **CONFIDENCE**
MANAGEMENT DISCUSSION AND ANALYSIS
INTEGRITY **COMMITMENT** **SCOPE** FOCUS ON
EXCELLENCE MERITOCRACY

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TATA CONSULTANCY SERVICES LIMITED

Annual Report 2013-14

Directors' Report

To the members,

The directors submit annual report of Tata Consultancy Services Limited (the Company) and Consolidated TCS along with the audited financial statements for the financial year ended March 31, 2014.

1. Financial results

(₹ crores)

	Consolidated		Unconsolidated	
	2013-14	2012-13	2013-14	2012-13
Revenue from operations	81,809.36	62,989.48	64,672.93	48,426.14
Operating expenditure	56,656.57	44,949.57	43,139.21	34,119.87
Earnings before interest, tax, depreciation and amortisation (EBITDA)	25,152.79	18,039.91	21,533.72	14,306.27
Other income (net)	1,636.74	1,178.23	3,114.71	2,230.39
Finance costs	38.52	48.49	23.41	30.62
Depreciation and amortisation expense	1,349.15	1,079.92	1,080.55	802.86
Profit before tax (PBT)	25,401.86	18,089.73	23,544.47	15,703.18
Tax expense	6,069.99	4,014.04	5,069.55	2,916.84
Profit for the year before minority interest	19,331.87	14,075.69	18,474.92	12,786.34
Minority interest	168.00	158.38	-	-
Profit after tax (PAT)	19,163.87	13,917.31	18,474.92	12,786.34
Adjustment for amalgamation of acquired subsidiaries	-	(126.22)	2,375.22	(103.00)
Balance brought forward from previous year	29,529.97	22,160.54	24,602.85	18,235.20
Amount available for appropriation	48,693.84	35,951.63	45,452.99	30,918.54
Appropriations				
Interim dividends on equity shares (excluding tax)	2,349.87	1,761.49	2,349.87	1,761.49
Proposed final dividend on equity shares (excluding tax)	3,917.46	2,544.39	3,917.46	2,544.39
Proposed dividend on redeemable preference shares (excluding tax)	28.76	19.00	28.76	19.00
Tax on dividends (interim and proposed)	795.68	727.34	788.96	712.18
Capital redemption reserve	157.12	-	100.00	-
General reserve	1,883.41	1,352.79	1,847.49	1,278.63
Statutory reserve	57.03	16.65	-	-
Balance carried to balance sheet	39,504.51	29,529.97	36,420.45	24,602.85
(₹1 crore = ₹10 million)				

2. Issue of Equity Shares

15,06,983 equity shares of the Company were issued and allotted, in the ratio of 13 equity shares of ₹1 each of the Company for every 4 equity shares of ₹10 each of TCS e-Serve Limited (e-Serve), to the equity shareholders (other than the Company) of erstwhile e-Serve on October 7, 2013. This was pursuant to the Order of the Hon'ble High Court of Judicature at Bombay, sanctioning amalgamation of e-Serve with the Company in terms of the Composite Scheme of Arrangement. As a result of this, the issued, subscribed and paid up capital of the Company has increased from ₹195.72 crores to ₹195.87 crores.

3. Redemption of preference shares and capital redemption reserve account

100,00,00,000 redeemable preference shares of ₹1 each aggregating ₹100 crores were redeemed at par on March 28, 2014, at the end of their tenure of six years. In terms of section 80(1)(d) of the Companies Act, 1956, a sum of ₹100 crores has been transferred to capital redemption reserve account.

4. Dividend

Based on the Company's performance, the directors are pleased to recommend for approval of the members, a final dividend of ₹20 per share for the financial year 2013-14, taking the total dividend to ₹32 per share (previous year ₹22 per share) on 195,87,27,979 equity shares (195,72,20,996 equity shares as at March 31, 2013) of ₹1 each. The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹4,583.23 crores including dividend tax. The total cash outflow on account of dividend on equity shares (interim as well as proposed) including dividend tax for the financial year 2013-14 would aggregate ₹7,051.40 crores, resulting in a payout of 38.24% of the unconsolidated profits of the Company.

The redeemable preference shares, allotted on March 28, 2008, are entitled to pro-rata dividend for the financial year 2013-14. The redeemable preference shares are also entitled to a fixed cumulative dividend of 1% per annum and a variable non-cumulative dividend of 1% of the difference between the rate of dividend declared during the year on the equity shares of the Company and the average rate of dividend declared on the equity shares of the Company for the three years preceding the year of issue of the said redeemable preference shares. Accordingly, the directors have recommended, for approval of the members, a dividend of 29 paise per share on 100,00,00,000 redeemable preference shares of ₹1 each for the financial year 2013-14.

5. Transfer to reserves

The Company proposes to transfer ₹1,847.49 crores to the general reserve out of the amount available for appropriation and an amount of ₹36,420.45 crores is proposed to be retained in the statement of profit and loss.

6. Company's performance

For the financial year ended March 31, 2014, the Company has recorded a strong revenue and margin performance. There was holistic growth across markets and industries during the financial year. Europe led the growth in major markets, while UK and North America continued to grow in line with the Company average. All major industry verticals grew in double digits led by retail, manufacturing, life sciences & healthcare and BFSI during the year. The Company's full services capabilities continue to be leveraged by customers with new service lines growing at a fast pace led by consulting, assurance services, infrastructure services and engineering & industrial solutions.

On consolidated basis, revenue from operations for the financial year 2013-14 at ₹81,809.36 crores was higher by 29.88% over last year (₹62,989.48 crores in 2012-13). Earnings before interest, tax, depreciation and amortisation (EBITDA) at ₹25,152.79 crores was higher by 39.43% over last year (₹18,039.91 crores in 2012-13). Profit after tax (PAT) at ₹19,163.87 crores was higher by 37.70% over last year (₹13,917.31 crores in 2012-13).

On unconsolidated basis, revenue from operations for the financial year 2013-14 at ₹64,672.93 crores was higher by 33.55% over last year (₹48,426.14 crores in 2012-13). EBITDA at ₹21,533.72 crores was higher by 50.52% over last year (₹14,306.27 crores in 2012-13). PAT at ₹18,474.92 crores was higher by 44.49% over last year (₹12,786.34 crores in 2012-13).

7. Strategic acquisition

During the financial year 2013-14, the Company through its subsidiary Tata Consultancy Services Netherlands BV (TCS Netherlands BV), acquired French IT services company Alti S.A. (Alti), regarded as one of the top five system integrator companies in France with leading French corporations in the banking, financial services & insurance, energy & utilities, retail & CPG, manufacturing and life science sectors as its key customers. Alti's acquisition has strengthened TCS' ability and footprint to service its customers in France and other regions, leveraging its strong talent pool. The acquisition has also brought its seven subsidiaries namely, Planaxis Technologies Inc., Alti HR S.A.S., Alti Infrastructures Systemes & Reseaux S.A.S., Alti NV, TESCOM (France) Software Systems Testing S.A.R.L., Alti Switzerland S.A. and Teamlink into TCS' fold.

During the financial year, TCS has announced that a joint venture (JV) would be formed in Saudi Arabia by TCS Netherlands BV and GE. The JV will be the first all-women business process service center in Saudi Arabia.

8. Restructuring of unlisted subsidiary companies

i) TCS e-Serve Limited (e-Serve) and TCS e-Serve International Limited (TEIL):

Pursuant to the Composite Scheme of Arrangement (Scheme) sanctioned by the Hon'ble High Court of Bombay vide its Order dated September 6, 2013, e-Serve was amalgamated with the Company and the SEZ undertaking of TEIL was demerged and transferred to the Company both with effect from the appointed date i.e. April 1, 2013. Consequently, the entire business, assets, liabilities, duties and obligations of e-Serve and SEZ undertaking of TEIL have been transferred to and vested in the Company with effect from April 1, 2013. TEIL, a wholly-owned subsidiary of erstwhile e-Serve, has become a direct subsidiary of the Company as a result of the above.

ii) Tata Information Technology (Shanghai) Company Limited (TITL)

Pursuant to the merger agreement between TITL and Tata Consultancy Services (China) Company Limited (TCS China), TITL merged into TCS China with effect from November 5, 2013. As a result of the merger, the consolidated holding of Tata Consultancy Services Asia Pacific Pte. Limited and MS CJV Investments Corporation (subsidiaries of the Company), in TCS China went up from 74.63% to 90.00%.

9. Human resource development

The speed of change in today's world makes it imperative to focus on forward-looking policies, lean processes, shaping talents for tomorrow and invest in futuristic systems and applications.

TCS' continual pursuit of innovation and progressive processes for creating organisation of tomorrow are yielding desired results as is evident from market leading retention rates of 88.7%. Effective engagement interventions, strong processes and systems enable the Company to manage complexities associated with the scale of 300,464 employees representing 118 nationalities deployed across 55 countries.

The Company remained highest recruiter in the industry by doing a gross addition of 61,200 employees and net addition of 24,268 employees across the globe. The gross addition includes 1,263 employees in-sourced from customer organisations globally.

Campus placement drive was conducted in engineering and management institutes in India resulting in job offers to 24,859 engineering students and 575 management students to join during 2014-15. Outside India, trainees were recruited from established institutes in USA, Canada, China, Uruguay and Hungary.

The Company continued its effort to strengthen relationship with key institutes globally through its academic interface programme (AIP) which benefited 626 institutes in India and 301 institutes in other countries.

Effective competency development programmes ensure preparedness of TCS work force to effectively manage fast paced changes in the industry and build leaders to manage growth. The focus on 'Anytime Anywhere Learning' using digital technology has opened new horizon of learning experience.

TCS has a well established framework of engagement and collaboration across diverse workforce segments. The 'Vivacious TCS' initiative, using social platforms, provide avenues for collaboration for a diverse and globally spread employee base bringing about a transformation in communication and employee connect initiatives. The annual employee satisfaction survey, 'Pulse', along with other engagement initiatives, provide necessary insight and help in understanding distinct employee needs and developing appropriate interventions.

The performance driven culture challenges every employee to scale up and grow. A wide range of competency enhancement opportunities, challenging assignments and rotation across units and countries help employees in their career progression and meeting aspirations. The coaching and mentoring programmes enable employees to get constant feedback and career guidance to achieve and exceed their performance targets thus realising their potential.

TCS' commitment to employee health, safety and security extends beyond accidents and occupational health hazards to social wellbeing of employees. The Fit4life initiative is gaining popularity and people are getting conscious of their health. The 'Employee Assistance Programme' helps employees to manage stress and lead a healthy life.

These initiatives have delivered the desired results as is evident from the low attrition rate of 11.3% achieved during the year.

10. Quality Initiatives

Sustained commitment to highest levels of quality, best-in-class service management and robust information security practices helped the Company attain significant milestones during the year.

The Company was assessed enterprise-wide at the highest maturity Level 5 for CMMI-DEV® (Development) version 1.3. Enterprise-wide assessment for CMMI-SVC® (Services) version 1.3 is currently in progress.

The Company successfully achieved the annual enterprise-wide ISO certification for ISO 20000:2011 (Service Management), ISO 9001:2008 (Quality Management) and the latest Security Management Standard ISO 27001:2013.

The Company is enterprise-wide certified for ISO 14001:2004 (Environmental Management) and BS OHSAS 18001:2007 (Occupational Health and Safety Management) which demonstrates TCS' strong commitment to the environment and the occupational health and safety of its employees and business partners. The Company also continues to maintain the industry specific quality certifications viz., AS 9100 (Aerospace Industry), ISO 13485 (Medical Devices) and TL 9000 (Telecom Industry).

The cornerstone of these certifications is TCS' integrated quality management system (iQMS™), a global process-driven and customer-focused system which provides 'One Global Service Standard'. iQMS™ is the backbone that supports TCS' global network delivery model (GNDM™).

11. Corporate Governance Report, Management Discussion & Analysis Report and Business Responsibility Report

As per clause 49 of the Listing Agreements entered into with the Stock Exchanges, Corporate Governance Report with auditors' certificate thereon and Management Discussion and Analysis are attached and form part of this report.

As per clause 55 of the Listing Agreements entered into with the Stock Exchanges, a Business Responsibility Report is attached and forms part of the annual report.

12. Directors' responsibility statement

Pursuant to the requirement of section 217(2AA) of the Companies Act, 1956, and based on the representations received from the operating management, the directors hereby confirm that:

- (i) in the preparation of the annual accounts for the financial year 2013-14, the applicable accounting standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

13. Subsidiary companies and consolidated financial statements

The Company had 64 subsidiaries as on March 31, 2014. There has been no material change in the nature of the business of the subsidiaries.

As required under the Listing Agreements entered into with the Stock Exchanges, consolidated financial statements of the Company and all its subsidiaries is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under section 211(3C) of the Companies Act, 1956. The consolidated financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

Pursuant to the provision of section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2014 is included in the annual report. The annual accounts of these subsidiaries and the related information will be made available to any member of the Company/its subsidiaries seeking such information and are available for inspection by any member of the Company/its subsidiaries at the registered office of the

TATA CONSULTANCY SERVICES LIMITED

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Company. The annual accounts of the said subsidiaries will also be available for inspection at the head offices/ registered offices of the respective subsidiary companies.

14. Fixed deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

15. Directors

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. V. Thyagarajan, Prof. Clayton M. Christensen, Dr. Ron Sommer, Mr. O. P. Bhatt, Dr. Vijay Kelkar and Mr. Aman Mehta as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Mr. Phiroz Vandrevala, Director, retires by rotation and being eligible has offered himself for re-appointment.

16. Auditors

Deloitte Haskins & Sells LLP (DHS LLP), Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint DHS LLP as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the twenty-second AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

During the year, the Company had received intimation from DHS LLP stating that Deloitte Haskins & Sells had been converted into a limited liability partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 with effect from November 20, 2013. In terms of Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of Chartered Accountants, being an auditor in a Company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said Company. The Board of Directors of the Company have taken due note of this change. Accordingly, the audit of the Company for financial year 2013-14 was conducted by DHS LLP.

17. Particulars of employees

The information required under section 217(2A) of the Companies Act, 1956 and the Rules made there under, in respect of employees of the Company, is provided in annexure forming part of this report. In terms of section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary.

18. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in an annexure to this report.

19. Acknowledgement

The directors thank the Company's employees, customers, vendors, investors and academic institutions for their support.

The directors also thank the government of various countries, Government of India, State Governments in India and concerned government departments/agencies for their co-operation.

The directors appreciate and value the contributions made by every member of the TCS family globally.

On behalf of the Board of Directors,

Mumbai
April 16, 2014

Cyrus Mistry
Chairman

Annexure to the Directors' Report

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

CONSERVATION OF ENERGY

TCS has enterprise wide certification under ISO 14001:2004 (Environmental Management) for 96 offices globally. The Company has processes to measure, monitor and improve environmental performance through various initiatives focusing on energy, carbon, water and waste.

All new TCS campuses are designed on par with LEED Green Building criteria to minimize the impact on the environment from the Company's operations. In order to reduce the electricity consumption and the resultant carbon footprint, all new TCS campuses are designed for higher energy efficiency and have on-site renewable energy installations like solar water heaters and solar photovoltaic cells. This, combined with 'Green IT' initiatives, energy audits, remote energy monitoring and management systems, operational energy efficiency and procurement of renewable energy have helped the Company achieve significant reductions in energy and carbon footprint. Water efficiency and conservation initiatives, rainwater harvesting systems, domestic sewage treatment and recycling facilities are a part of design in all the new campuses towards becoming zero water discharge. Waste reduction, recycling and on-site treatment of bio-degradable waste are the enablers towards achieving the Company's target of zero waste to landfill.

Data on improvement in consumption of energy have been provided in the Business Responsibility Report.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

RESEARCH AND DEVELOPMENT (R&D)

Specific areas in which R&D was carried out by the Company

TCS research and innovation continue to be customer aligned. Several new ideas were implemented as proof of concept and pilot projects for key customers.

The Company performs research and innovation in three broad areas: software, scientific applications and cyber-physical systems. Some examples of the research work are outlined below.

In the software research area, the verification and validation framework for embedded systems, called 'TCS Embedded Code Analyser' (TCS ECA), was launched in Japan. TCS ECA has been developed by TCS in collaboration with Nissan Motor Co. Ltd (Nissan). It enhances the software assurance lifecycle for automotive, hi-tech and other industries that develop products, which rely on embedded software.

In the application research area, several proof of concepts were conducted with key customers. The computation finance team is demonstrating innovative option pricing with a leading international bank. The TCS supply chain research team designed an optimisation model to generate minimum cost store delivery routes for leading pharma retailers as well as a simulation model to evaluate alternative scenarios and an activity based costing model applied to simulation activities for the retailer.

In the cyber-physical systems research area, the carbon footprint management solution ECVIEW is helping a big retail chain to optimise energy consumption across 200 stores. The solution won the 'Express IT' award in the 'Green IT' category.

The Company maintains its three horizon view in research and innovation. Innovation in current solutions and offerings called 'Derivative Innovation' has been achieved through usage of tools and automation. The Mastercraft Tools suite has been enhanced with more features this year. Near term transformations are achieved through platform innovations. Several platform innovations that include technologies such as mobile, social networking, cloud based solutions, artificial intelligence and big data processing are helping customers re-imagine their enterprises. Working with a larger vision and longer time-frame solutions are likely to have a disruptive capability in the market. TCS drug delivery and disease marker research, integrated computational materials engineering platform, next generation enterprise modeling and software designed networks fall into this category.

TCS co-innovation has also been active in the past year. Under academic collaboration, the research scholar programme won the 'Education & Training Social Enterprise' award instituted by the World CSR Congress. The programme now supports 134 scholars from 31 institutions across India. Nearly 200 emerging technology companies were introduced to TCS business this year. Fruitful external partnerships in data analysis, customer experience and advanced technologies such as gesture recognition were formed with customer engagements through the TCS co-innovation network (COIN™).

TCS researchers' original work was presented in conferences of high standing through 400 papers. TCS IP is being protected through patents. Till date, the Company has filed for 1746 patents and 114 patents have been granted.

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For the proliferation of research and innovation, the Company conducted several innovation days for its customers, sponsored external research events, hosted the 'Innovation Forum' and other premium innovation events in leading geographies.

TCS research and innovation have also been recognised publicly and have won several awards. Nano coolants research won the 'Best Innovation' award at Imagineering 2013. mKRISHI, TCS' personalised mobile advisory platform won the 'Business in the Community' (Big Tick) award. The Company has been placed 40th on Forbes' most innovative companies list.

Benefits derived

Intellectual assets created by R&D teams were deployed internally and for customer projects creating substantial savings.

Future plan of action

In the software research area TCS will continue to explore a model driven organisation. The Company proposes to invest in design thinking and problem solving. In application science research, the Company shall continue with genomic and metagenomic exploration. Speech technologies and video analytics will also be in focus. In systems research, TCS will work on high performance computing and automation of enterprise IT.

Expenditure on R&D

TCS innovation laboratories are located in India and other parts of the world. R&D centers certified by the Department of Scientific & Industrial Research (DSIR) function from Pune, Chennai, Bengaluru, Delhi-NCR, Hyderabad, Kolkata and Mumbai.

Expenditure incurred in the R&D centers and innovation centers of TCS during the financial year 2013-14 and 2012-13 are given below:

(₹ crores)

Expenditure on R&D and innovation	Consolidated		Unconsolidated	
	2013-14	2012-13	2013-14	2012-13
Capital	1.84	2.34	1.17	1.46
Recurring	197.07	161.84	175.14	149.90
Total R&D expenditure	198.91	164.18	176.31	151.36
Innovation center expenditure	714.85	612.40	636.41	566.88
Total R&D and Innovation expenditure	913.76	776.58	812.72	718.24
R&D and innovation expenditure as a percentage of total turnover	1.12%	1.23%	1.26%	1.48%

FOREIGN EXCHANGE EARNINGS AND OUTGO

Export revenue constituted 93.16% of the total unconsolidated revenue in financial year 2013-14 (92.13% in financial year 2012-13).

(₹ crores)

Foreign exchange used and earned	2013-14	2012-13
Foreign exchange earnings	62,260.84	45,942.56
CIF Value of imports	622.56	372.78
Expenditure in foreign currency	20,275.40	15,602.18

On behalf of the Board of Directors,

Mumbai
April 16, 2014

Cyrus Mistry
Chairman

CORPORATE GOVERNANCE REPORT
INTEGRITY EXCELLENCE COMMITMENT SCOPE FOCUS ON MERITOCRACY
DIRECTORS' REPORT MANAGEMENT UNCONSOLIDATED
REPORT DISCUSSION FINANCIAL
INNOVATION ASPIRE RIGOUR STATEMENTS
AGILITY FOCUS AND ANALYSIS SECURITY DNA
CONSOLIDATED FINANCIAL STATEMENTS LEAD CONFIDENCE
AMBITIOUS HONESTY BUSINESS VALUES
INCLUSIVE RESPONSIBILITY REPORT

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Management Discussion and Analysis

1. Overview of economy

The revitalisation of global economy continued during the calendar year 2013 and the global economy ended the year on a better footing as compared to the start of the year. The growth momentum is expected to be carried forward during the year 2014. The International Monetary Fund forecasts that world output will grow 3.6% in 2014, compared to 2.9% during 2013.

The US economy grew at an annual rate of 2.6% in the last quarter of 2013 with better growth forecast for 2014. The UK economy strengthened steadily with GDP showing 1.9% growth during 2013 and it is expected to maintain the revival momentum through 2014. Eurozone continued to show mixed signs of recovery and growth concerns. However, policy action by specific countries is expected to deliver better performance during 2014.

While the global economic recalibration is playing out in a relatively measured way, global business leaders are becoming increasingly confident about the sustained economic and business growth than they were last year. Global corporations' performance and investors' confidence were reflected in the sharp movement of world capital markets during 2013.

2. Overview of industry

Increased confidence of business leaders in their companies' performance and improved sentiment of consumers drove spending in technology products. Investment in technology is among top three priorities of companies across the world. Worldwide interactions with business leaders reveal that role of technology will create biggest impact on their business. An increasing acceptance of the fact that digital technologies will impact business models, processes, new products and services offerings, access to new markets, new customer base and will open up completely new set of opportunities for their companies, is a common feature across industries and markets.

As a result, spending on technology and technology services grew at a faster pace (4.5%) than global economic growth in 2013. World's largest IT market US grew at 5.6%, while continuing to lead investments in digital technologies. The need to find new ways to reach out to consumers prompted the European companies to invest in technology for optimisation and innovation, which led to 3% growth in IT spending during 2013, as compared to a decline in the previous year.

While the global IT spend grew at 4.5%, TCS delivered a growth of 16.2% in fiscal 2014.

3. Our business

3.1. Overview

TCS is an Information Technology (IT) services, consulting and business solutions company. The Company provides

end-to-end technology and technology related services to corporations all over the world. TCS' domain knowledge and technology expertise helps global corporations to focus on their core business, while TCS manages their investments in technology and helps transform their business processes.

The breadth and depth of TCS' domain and technology expertise has been built over last 46 years through a unique combination of long standing customer relationships, investments in people and through continuous investments in new technologies.

The Company has been steadily expanding its global customer base, global infrastructure, service lines and industries.

The growth momentum of the Company continues to deliver strong financial results, attract top global talent and win new customers and strengthen existing customer relationships. TCS now is India's most valuable company and among world's most valuable IT services companies.

3.2. Capabilities

TCS has strong domain expertise in banking, financial services & insurance (BFSI), retail & consumer packaged goods, telecom, media & entertainment, manufacturing, life sciences & healthcare, energy resources & utilities, travel transportation & hospitality and hi-tech.

TCS' technology expertise extends across its full services portfolio of application development and maintenance, business process services, enterprise solutions, IT infrastructure services, assurance services, engineering & industrial services, asset leverage solutions and consulting.

TCS has made significant investments in 'Digital Five Forces' - mobility, social computing, big data, cloud and artificial intelligence/robotics. Digital enterprise software and solutions unit of TCS is rapidly growing its customer base, products and services portfolio and digital professionals.

4. Strategy

The Company's strategy for long-term growth is based on continuing to scale, strengthen core business and grow in new areas of business.

The Company has a matured set of elements of strategy, which have evolved over time. While the core elements of strategy continue to remain same, there is a structured attempt by the Company to look for new dimensions of growth within these elements.

Key elements of the Company's growth strategy are:

- customer centricity
- full services portfolio
- global network delivery model (GNDM)TM
- non linear business models
- experience certainty.

The Company continues to look for new ways to strengthen customer relationships, expand services portfolio by continuously introducing new services, expand global infrastructure by opening up new delivery centers in new countries, launching new products and platforms and continuously improving quality processes to raise the delivery promise to customers. The Company believes in strong focus on execution of strategy to deliver long-term growth.

5. Digital Technologies

Adoption of digital technologies is a top priority among all enterprises, across industries and geographies. While individually all of these technologies are influencing the way business operates and interacts with consumers, but their real power lies in the combination of digital forces. A real time analysis of consumer behavior, delivered on a mobile device through cloud services has the biggest potential towards supporting the business in taking right decision in real-time.

TCS has significantly invested in digital technologies – mobile, cloud, big data analytics and social media. TCS' 'Customer Collaboration Center' in Silicon Valley is a digital innovation lab, where customers from retail, telecom, banking, manufacturing and other industries are collaborating to shape the digital future of their business. Company's digital innovation lab has built several digital applications and solutions for multiple industries, which are being implemented by customers in North America, Europe and Asia-Pacific.

The Company sees tremendous growth potential in digital technologies and is committed to continue investing in this area from the long-term growth perspective. The Company is also making initial investments in new emerging technologies like production automation and high performance computing, which have the potential to become a trend in the future.

6. Innovation

The Company continued to invest in research and innovation that will meet customer requirements today, in the near term and in the long term. The three segments of innovation are:

- **Derivative innovation:** These are innovations that improve the Company's current services and offerings and are delivered through tools, automation and process improvements.
- **Platform innovation:** These are near term innovations. Several solution platforms involving social networks, mobility, cloud services, artificial intelligence and big data technologies developed by the Company are preparing customers for the future.
- **Disruptive innovation:** These are investments with a long term vision. Work in genomics and disease markers, drug delivery platforms, software defined networks, integrated computational materials engineering platforms are future focused investments that are likely to have a big impact.

The Company follows a "4E Innovation Framework" that includes Explore, Enable, Evangelize and Exploit teams:

Explore: This team of researchers focus on creating high quality IP for the Company. This is measured by the research papers they produce and the IPR they create. Over 400 papers were presented at prestigious conferences. This year the Company filed 443 patents and was granted 33 patents.

Enable: This is the engineering arm of TCS research and innovation. Apart from creating applications based on concepts created by the "Explore" team, this team tests out the concepts in the customer environments. Sixteen new solutions were engineered and 14 proofs of concept were initiated.

Evangelise: This is the connecting force between research and business (projects, customers). This team helped in the completion of 11 co-solutions (combined projects between research and customer delivery teams) and initiated 33 new co-solutions. The team also conducted several innovation days for TCS customers and sponsored research events to secure a thought leadership position for TCS.

Exploit: The Exploit team scales the innovation initiatives that are ready for adoption by the customer. One such, the "frugal devices" for infotainment and web access, has been implemented in a budget hotel chain.

The Company actively pursued collaboration with academic research and innovative start-up companies to help customers solve problems. TCS Co-Innovation Network (COIN™) maintains an active portfolio of emerging technology partners and introduced about 200 companies to TCS business. Ten active alliances were maintained with leading university research departments for progress in areas such as computational life sciences, computational materials sciences, data sciences, cyber-physical systems, design and more.

7. Human resources strategy

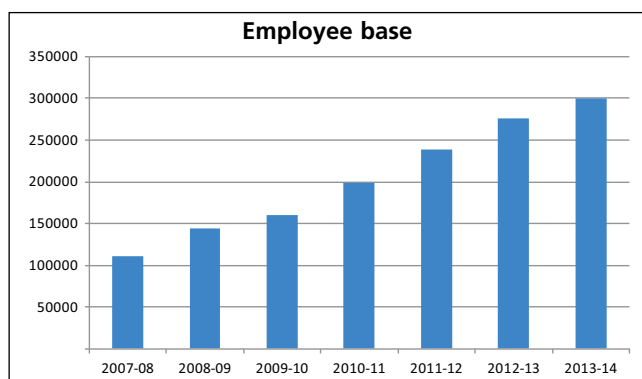
The human resources strategy enabled the Company to attract, integrate, develop and retain the best talent to deliver business growth. The relentless drive to create 'oneTCS' culture across the organisation helped the Company integrate its diverse global talent base into a high performing cohesive unit. The workforce management strategy was executed optimally to fulfill business demand, deliver consistently high utilization rates and keep manpower costs within the desired range as per business plan. The investments in human capital development helped the Company maintain its benchmark status in the IT industry.

In FY14, the Company hired and integrated 61,200 people into its workforce across the globe. The Company today employs 300,464 associates representing 118 nationalities deployed across 55 countries.

Mature HR processes enables the Company to be agile, responsive to the dynamic global environment and stay relevant to its customers. The robust HR systems and sound execution of strategy ensure that the Company is able to manage the complexities associated with this scale and geographic spread, and remain compliant with the regulatory requirements in the countries where it operates.

The Company has started to re-imagine its HR processes, use digital technologies namely, mobile, social, cloud and analytics in an integrated manner to make the internal processes simple, efficient and user friendly. Stressing highest priority on personal safety and security, a new initiative called 'Safety First' has been launched to enhance safety awareness with special focus on women employees.

The Company has created a performance driven environment where innovation is encouraged, performance is recognised and employees are motivated to realise their potential. The Company's relentless pursuit to connect with employees on a regular basis, communicate in an open and transparent manner, provide opportunities to learn and grow within the organisation are yielding desired results as is evident from the high retention rate and the motivation and engagement level of the employees.



7.1. Talent acquisition

In FY14, TCS remained the highest recruiter in the industry with a gross addition of 61,200 employees out of which 46,880 were in India and the remaining 14,320 were outside India.

TCS continues to remain the employer of choice at the engineering campuses in India. TCS visited 371 campuses in India, and made 24,859 offers to engineering trainees and 575 offers to management trainees for FY15. The Company also continued its effort to recruit from colleges outside India especially in Latin America, USA, Canada, China and Hungary.

This year the talent acquisition process was revamped to make it more efficient, simple and green. The Company has been using social networking sites to attract lateral talent.

7.2 Academic interface programme (AIP)

The Company continues to invest on AIP initiatives for developing faculty for academic institutes, improving employability of students and developing curricula as per industry requirements.

A total of 626 institutes in India and 301 institutes overseas benefitted through the Company's AIP activities like workshops for students, faculty development programmes, research scholarships, research alliances, project opportunities to students and student awards.

The Company supports 134 research scholars pursuing their PhD in 31 institutes across India, through TCS Research Scholarship Programme.

The Company has been partnering with the central government and five state governments in establishing Indian Institute of Information Technology (IIITs).

'Sangam' is an annual event where TCS's top management engages in cross-pollination of ideas and discussions with academicians from premier technical and management institutes. It is a part of the TCS' long-standing relationship with academia. In FY14, 15th edition of the event was held at Hyderabad with 71 academicians participating from India and abroad.

7.3 Learning and development

The Company continued to invest in enhancing its human capital by providing opportunities to its employees to develop their skills and competencies relevant to the market requirements. The focus during this year has been to strengthen 'Anytime, Anywhere Learning' by investing in the development of appropriate content and infrastructure required to support interactive class rooms and social learning platforms. The processes have been simplified so that content could be consumed based on business requirements.

Globalisation and personalisation of learning received further impetus through state-of-the-art intercultural awareness tools for cross-cultural training and multilanguage frameworks. The 'Initial Learning Programme' (ILP) is now offered in a number of countries outside India.

A state of the art learning center will be established in Thiruvananthapuram with a capacity to train 15,000 associates at a time and 50,000 annually. The foundation stone of the facility was laid by the Hon'ble Prime Minister of India during this year.

7.4 Talent management, leadership development and talent retention

The Company's efforts in the past year have been to enhance and simplify its 'Performance & Career Management' processes. All activities impacting an employee's career (career aspirations, mentoring and development interventions) are now on a single 'CareerHub' platform.

The 'Inspire' programme continues to identify and develop high-potential employees for leadership roles. Potential leaders are nurtured through training and coaching and given challenging roles to build leadership capability.

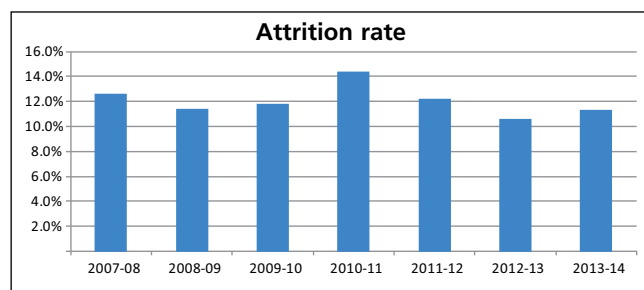
TCS fosters a culture of open communication that empowers employees to articulate their thoughts and feelings freely, exchange ideas and contribute to organisational growth. Regular HR connect sessions helps the Company understand the pulse on the ground and take necessary steps to keep the workforce engaged and motivated. A number of initiatives have been taken up that serve as effective platforms for associates to connect

and interact with key stakeholders and share their goals and aspirations. Employees also receive continuous feedback on technical, behavioral, other professional and personal areas during mentoring sessions.

TCS has an employee engagement platform namely Maitree where like-minded people come together and engage in a plethora of activities as part of various interest groups such as music club, environment club, reading club etc. These non-work related activities help in improving employee bonding within the organisation, developing personalities through volunteering and managing stress at work. Employees are also encouraged to involve their families in these activities.

TCS is committed to provide a healthy and safe work environment free from accidents, injuries and occupational health hazards. It extends to the general well-being, physical and emotional health of associates. Fit4Life, health awareness sessions, periodic medical check-ups, gymnasiums in offices, yoga sessions, and 24 X 7 'Employee Assistance Programme' to provide confidential counselling are some of the initiatives undertaken by the Company for employees to de-stress and adopt a healthy lifestyle. A number of campaigns are run throughout the year to increase awareness among employees on safety in and outside office.

The employee engagement initiatives and various HR interventions have helped the Company increase employee retention. TCS remains the industry benchmark for talent retention. The Company's attrition rate including BPS was 11.3% in FY 2014. The annual employee satisfaction survey showed an increase in employee satisfaction index.



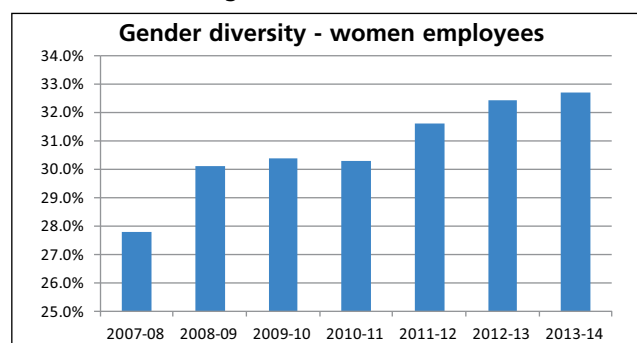
7.5 Talent diversity

The Company has in its roll, persons of 118 different nationalities deployed in 55 countries. Women constitute 32.7% of the Company's workforce as on March 31, 2014, compared to 32.4% as on March 31, 2013. Generation Y (Gen Y) employees constitute 80% of the workforce compared to 73% in FY13. The average age of TCS employee is 29 years.

Among the top employers of women, TCS has created an environment of inclusion to retain women through its progressive policies and practices. Innovative benefits, including extended leave options and re-orientation programmes have assisted employees at crucial stages and

have helped them integrate seamlessly into the workforce on their return. iExcel, a specialised executive education programme for women in mid-management, developed in-house, has assisted in grooming women managers for leadership roles. Interactive forums, mentors and women discussion circles address the aspirations and needs of the women employees.

Efforts have also been made to integrate differently-abled individuals into the workforce. A 'Center of Excellence' (CoE) on accessibility has been established to develop IT solutions addressing this issue.



7.6 Compliance

The Company ensures compliance of employment, immigration and labour laws in the countries of operation. Changes in the applicable regulations are tracked on a global basis. Policy and procedural changes are introduced where required. A robust internal check process is deployed to prevent and limit risk of non compliance.

8. Risk management

The increasing global trends in digitisation driven by the forces of social, mobility, analytics and cloud coupled with the large size of the addressable global market and the relatively low current levels of penetration of the target markets suggest significant headroom for future growth. The Company has positioned itself well for the growth in business with an aligned strategy, structure and capabilities.

An 'Enterprise-wide Risk Management' (ERM) programme based on the recommendations of the 'Committee of Sponsoring Organisations' (COSO) formed by the Treadway Commission has been deployed by the Company. The risk reports prepared by the Chief Risk Officer are reviewed by the board of directors at regular intervals. The risk management process is reviewed periodically in order to keep it aligned with the emerging risks across the globe.

TCS' ERM programme involves risk identification, assessment and risk mitigation planning for strategic, operational, financial and compliance related risks across various levels of the organisation. The process is completely digitised, which facilitates monitoring risks and its mitigation across the globe, using dashboards, heat maps and charts. The Company level as well as unit level deployment of the ERM process is reviewed by the corporate risk office on quarterly basis.

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The following table lists some of the key risks faced by the Company.

Key risk	Impact on TCS	Mitigation
Global economic situation	Good part of the global economy has been showing signs of growth. For the IT service industry, the demand momentum is looking healthy in the major markets. Discretionary spend is increasing. However, there are pockets of global markets where there are still some uncertainties. IT service industry is closely linked with the global economic situation.	<ul style="list-style-type: none"> Helping existing customers drive efficiencies, demonstrate value addition, thereby assisting in their business goals Aggressively focusing on new market segments; faster growth in geographies other than US and UK/Europe. Continue all round growth across all industry verticals with larger portfolio of offerings and full service play.
Restrictive cross border mobility legislations	Non-tariff trade barriers proposed by some countries may lead to multitude of challenges. Mobility of resources across the globe will be impacted, leading to increased costs and margin pressures.	<ul style="list-style-type: none"> Increased rigor in terms of manpower planning and deployment Leverage collaboration technologies like video conferencing to reduce need for cross border travel. Increase outreach to legislative and trade bodies to address regressive and restrictive nature of proposed legislations.
Business model redundancy	The new disruptive technologies, such as cloud, big data, mobile smart devices and social media are impacting the behavior of the consumers, posing business challenges to the traditional customers.	<ul style="list-style-type: none"> Continuous scanning of environment for early detection of emerging trends Investing in new technologies to address demands of the emerging business models of the customers Increase investment in innovation and automation to provide value to customers.
Integration risks in M&A	The Company's post-acquisition challenges include cultural, financial and technology integration risks which if not addressed adequately could result in failure to achieve the strategic objectives of the acquisition and the resultant synergy expectations.	<ul style="list-style-type: none"> Well laid out integration plans and close monitoring of the same Close monitoring and review of acquired entities and taking timely actions as required Focus on processes for integrating the global workforce through various HR initiatives, cultural awareness / sensitisation.
Supply-side risks	Non-availability of resources with right skill at the right time may pose risk to TCS. Ability of the Company to attract and retain talent are critical.	<ul style="list-style-type: none"> Identification of competency and skill gaps on a continuous basis and aligning with market needs Strong process for lateral hiring across the globe Process for identification of career aspiration of professionals and helping them reach their goals Making TCS a 'caring organisation' by offering opportunities for good health, involvement with communities and self development Focus on career aspiration planning for high performers and incentivise them with learning, growth and leadership opportunities.
Currency volatility	Volatility in currency exchange movements resulting in transaction and translation exposure	<ul style="list-style-type: none"> Currency hedging policies and practices in place. Hedging strategy monitored by risk management committee through regular reviews.
Cost pressures	Increasing employee costs and escalating operation expenses may create pressure on margin	<ul style="list-style-type: none"> Well monitored framework for cost management Focus on improving productivity Leveraging offshoring to the maximum extent possible
Anti bribery and compliance (ABC)	ABC laws getting more stringent worldwide, including the UK Anti Bribery law, FCPA being monitored closely by some of the geographies. Non-compliance can lead to reputation loss in addition to penal action.	<ul style="list-style-type: none"> Strong anti-bribery checks and controls have been put in place and are being monitored closely Tata Code of Conduct is binding on all employees

VALUE CREATION SINCE FISCAL 2005

TCS is a leading global IT services company, operating across the globe, offering full array of capabilities that its customers require for pursuing growth opportunities and facing business challenges. TCS has been demonstrating agility and adaptability in providing innovative customer specific solutions, powered by best-in-class processes and engaged workforce. Disciplined execution of complex projects and customer centricity are the hallmarks of the Company's success story.

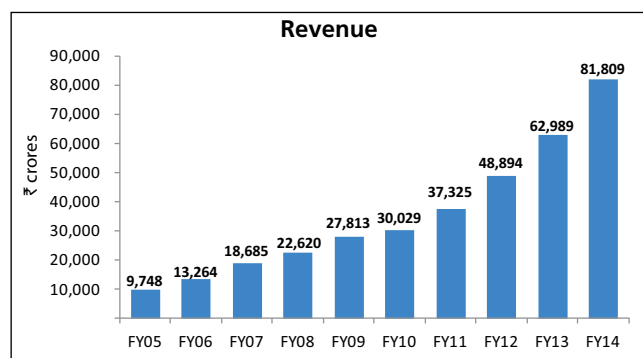
While relentlessly pursuing holistic excellence, TCS has generated significant wealth for all its stakeholders. The wealth so created has been judiciously allocated and shared with all its stakeholders during the decade of its existence as a listed company. The performance over the last decade brings out the story of TCS creating its own high standard of value creation and beating the same over and over again.

The success in creation of wealth at an impressive pace is attributable to the Company's well crafted strategy and zealous drive for superlative operating parameters.

CREATION OF WEALTH

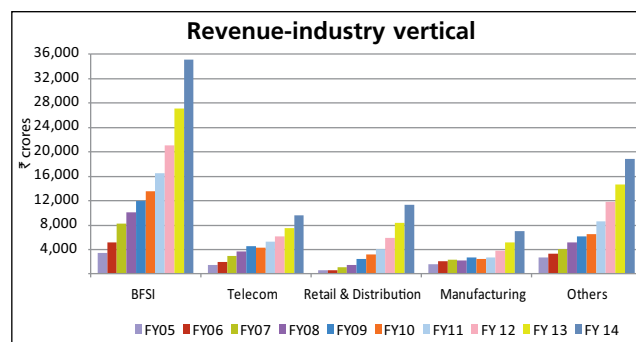
Revenue trend

Revenue in fiscal 2014 grew to ₹ 81,809 crores (\$ 13.44 billion) - an impressive 8-fold increase in ten years with a compounded annual growth rate (CAGR) of 26.66%.



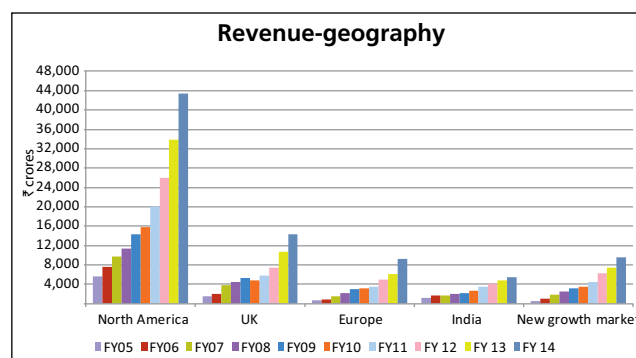
Growth in industry verticals

Over the last ten years all industry verticals grew at double digit CAGR demonstrating the Company's phenomenal efforts in understanding the key trends driving industry verticals.



Growth in geographic revenue

Over the last ten years, the Company had impressive CAGR in Europe (34%), United Kingdom (28%) and North America (25%). CAGR in new growth markets which comprise Latin America, Asia-Pacific and Middle East & Africa has been more than 35% validating our strategy to diversify geographically.

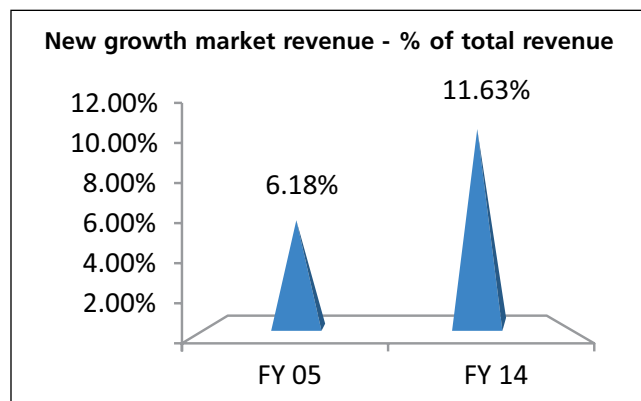


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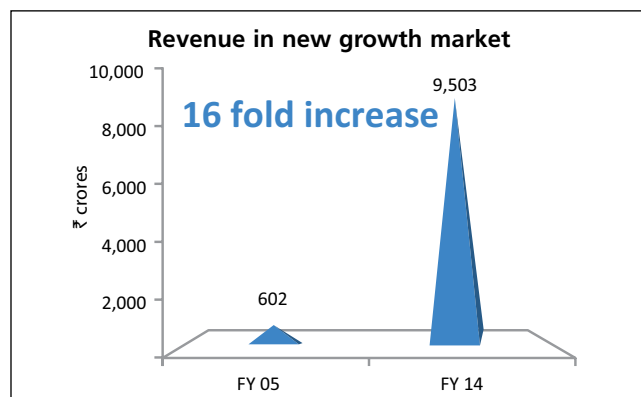
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Strategic focus on geographical diversity

TCS continued its strategy to focus on Asia-Pacific, Latin America and Middle East & Africa in order to de-risk geographical concentration and create a significant presence in these growth markets. Contribution of these new growth markets to the total revenue almost doubled in the last decade.



Strategic focus on new growth markets has paid off well over the past decade, resulting in a 16 fold increase in revenue from these markets.

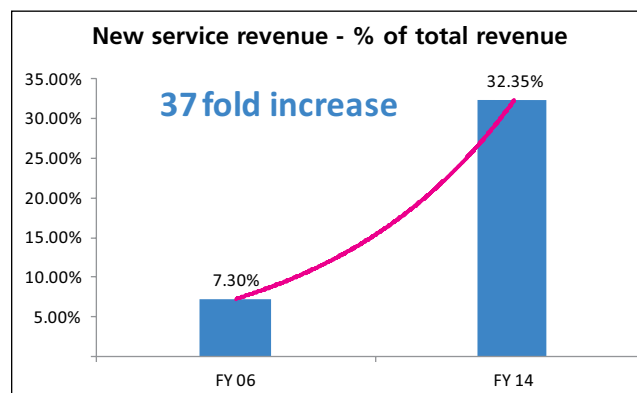


Overseas delivery centers - 'One Global Service Standard'

TCS has continued to invest in delivery centers across the globe and ensured the same delivery and service standards everywhere. The Company has set up 40 delivery centers in 22 countries outside India. Over the last ten years the number of delivery centers has increased more than four times. 18 delivery centers (included in the 40 delivery centers mentioned above) have been set up in new growth markets comprising Asia-Pacific, Latin America and Middle East & Africa. The geographical spread of delivery centers across the globe has enabled TCS to leverage skills and local business knowledge in order to deliver high quality solutions.

Strategic focus on new services

We ensure that our service offerings are geared for meeting our customers' continually evolving requirements. Our strategy to strengthen new services in the portfolio of service offerings has been extremely successful. Revenues from new services have recorded impressive 37 fold growth since fiscal 2006.



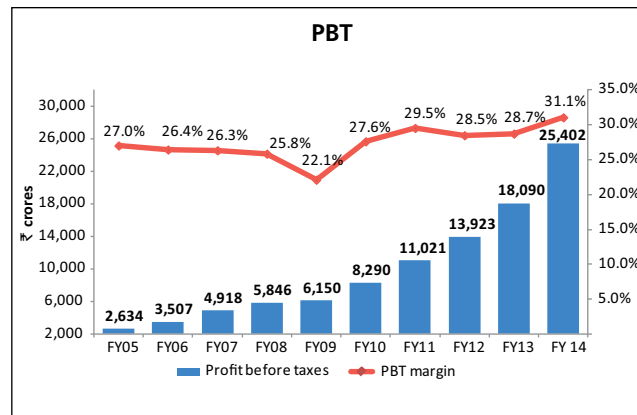
Customer centricity

The Company's organisational structure and processes are engineered to relentlessly drive customer centricity. Our strategy to understand customers' needs and offer relevant solutions has resulted in significant growth in the number of customers and upward movement in revenue band.

Last twelve months revenue buckets	Number of customers	
	Fiscal 2014	Fiscal 2005
\$100mn +	24	-
\$50mn +	53	5
\$20mn +	136	25
\$10mn +	231	42
\$5mn +	354	76
\$1mn +	714	214

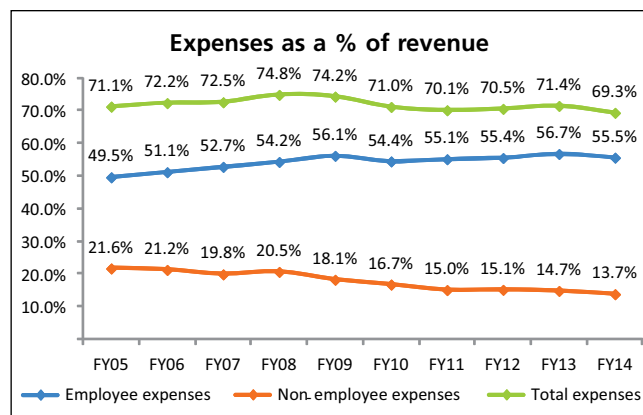
Earnings trends

The success in productivity drive culminated into impressive growth in profitability - profit before tax (PBT) as percentage of revenue has improved by 410 basis points in the last decade. In absolute terms, PBT has grown almost 10 times during the period.



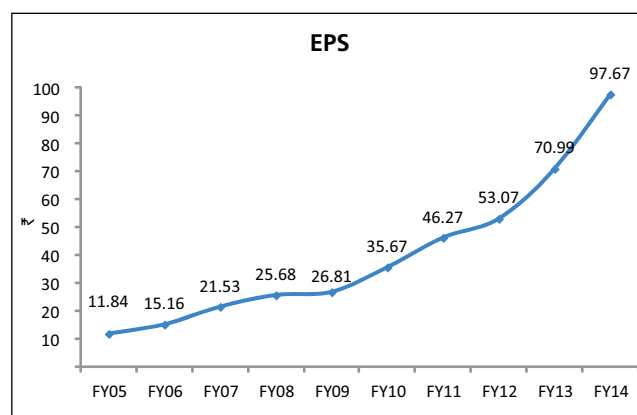
Management of costs

The employee base had more than 6 fold increase from 45,714 in fiscal 2005 to 3,00,464 in fiscal 2014. However, our efforts to continuously strengthen our cost management processes have ensured that employee expenses in relation to revenue have remained steady. Our sustained productivity drive is also reflected in steady decrease in non-employee costs as percentage of revenue.



Earnings per share

TCS has delivered consistent growth in earnings per share (EPS) - the growth in the last five years has been remarkable. The EPS, after adjusting for two 1:1 bonus issues, went up 8 fold, from ₹ 11.84 in fiscal 2005 to ₹ 97.67 in fiscal 2014.

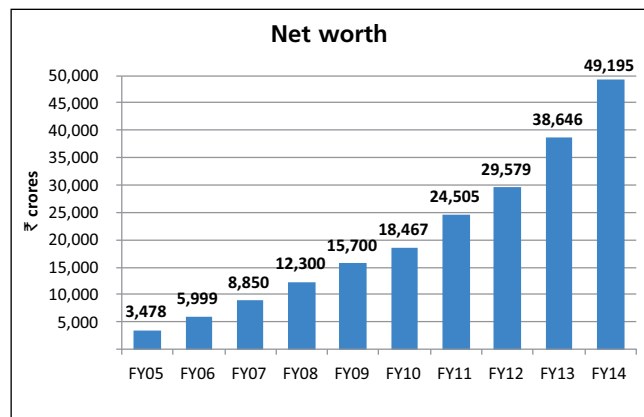


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Increase in net worth

The net worth has increased consistently, more than 14 times in the last decade.



Market capitalisation

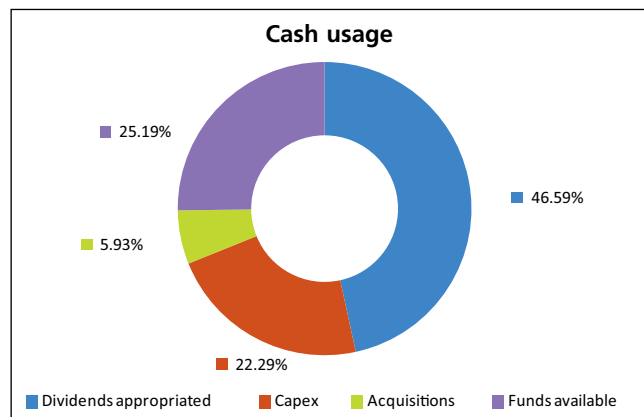
In terms of market capitalisation, TCS was the largest Indian company as on March 31, 2014. Compared to the issue price, the market capitalisation has increased by more than 10 times.



SHARING OF WEALTH

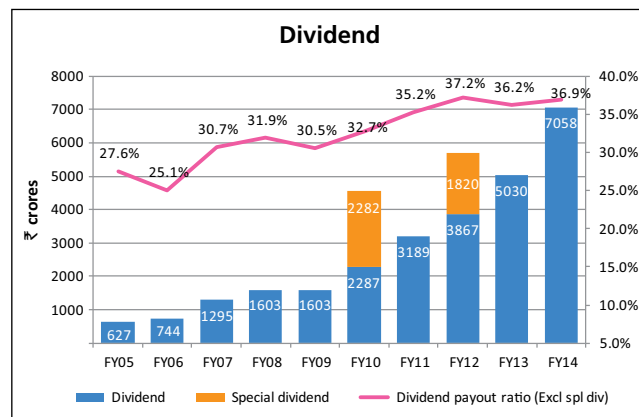
Sharing of cash generated since fiscal 2005

The wealth created by TCS has been judiciously shared with stakeholders. Of the available funds generated during fiscal 2005 to 2014, as much as 46.59% has been appropriated towards dividend (including dividend tax and final dividend for fiscal 2014 to be paid post approval by shareholders).



Dividend

Dividend (including final dividend and dividend distribution tax) and the payout ratio computed on consolidated profits have remained high. Dividend appropriated has increased more than 11 times in the last decade.



FINANCIAL PERFORMANCE - (CONSOLIDATED)

The financial statements of Tata Consultancy Services Limited (referred to as "TCSL") and its subsidiaries (collectively referred to as "TCS" or the Company) are prepared in compliance with the Companies Act, 1956 and generally accepted accounting principles in India (Indian GAAP). TCS has followed the revised Schedule VI as notified by the Ministry of Corporate Affairs with effect from April 1, 2011, in the financial statements under discussion. TCSL as well as the Company will be following the Companies Act, 2013 with effect from April 1, 2014.

The discussions hereinbelow relate to consolidated statement of profit and loss for the year ended March 31, 2014, consolidated balance sheet as at March 31, 2014 and the consolidated cash flow statement for the year ended March 31, 2014. The consolidated results are more relevant for understanding the performance of TCS.

Significant accounting policies used for preparation of the financial statements are disclosed in the notes to the consolidated financial statements 2 (a) to (q).

CONSOLIDATED FINANCIAL RESULTS - SUMMARY

Revenue of the Company aggregated ₹ 81,809.36 crores in fiscal 2014 (₹ 62,989.48 crores in fiscal 2013), registering a growth of 29.88%. In terms of US Dollars, the revenue in fiscal 2014 was 13.44 billion (11.57 billion in fiscal 2013).

Other significant financial parameters of the Company are given below:

- The earnings before interest, tax, depreciation, and amortisation (EBITDA) excluding other income aggregated ₹ 25,152.79 crores in fiscal 2014 (₹ 18,039.91 crores in fiscal 2013) – a growth of 39.43%.
- The profit before tax (PBT) aggregated ₹ 25,401.86 crores in fiscal 2014 (₹ 18,089.73 crores in fiscal 2013) – a growth of 40.42%.
- The net profit after tax (PAT) for fiscal 2014 aggregated ₹ 19,163.87 crores (₹ 13,917.31 crores in fiscal 2013) – a growth of 37.70%.
- Dividend (interim as well as proposed) on equity shares and tax thereon for the fiscal 2014 aggregated ₹ 7,058.12 crores (₹ 5,029.99 crores in fiscal 2013).
- The consolidated earnings per share (EPS) was ₹ 97.67 in fiscal 2014 (₹ 70.99 in fiscal 2013) – a growth of 37.58%.

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DISCUSSIONS ON CONSOLIDATED FINANCIAL RESULTS

The following table gives an overview of the financial results of the Company:

	Fiscal 2014		Fiscal 2013		% growth
	₹ crores	% of revenue	₹ crores	% of revenue	
Revenue from operations	81,809.36	100.00	62,989.48	100.00	29.88
Expenses					
Employee benefit expenses	29,860.01	36.50	24,039.96	38.17	24.21
Overseas business expenses (employee allowances paid overseas)	10,626.29	12.99	7,881.90	12.50	34.82
Services rendered by business associates (BA) and others	4,938.37	6.04	3,763.74	5.98	31.21
Employee and BA related expenses	45,424.67	55.53	35,685.60	56.65	27.29
Overseas business expenses (other than employee allowances paid overseas)	1,010.13	1.23	820.04	1.30	23.18
Operation and Other Expenses	10,221.77	12.49	8,443.93	13.41	21.05
Total expenses	56,656.57	69.25	44,949.57	71.36	26.04
Earnings before interest, tax, depreciation and amortisation (EBITDA)	25,152.79	30.75	18,039.91	28.64	39.43
Other income (net)	1,636.74	2.00	1,178.23	1.87	38.92
Finance costs	38.52	0.05	48.49	0.08	(20.56)
Depreciation and amortisation expense	1,349.15	1.65	1,079.92	1.71	24.93
Profit before tax (PBT)	25,401.86	31.05	18,089.73	28.72	40.42
Tax expense	6,069.99	7.42	4,014.04	6.37	51.22
Profit for the year before minority interest	19,331.87	23.63	14,075.69	22.35	37.34
Minority interest	168.00	0.20	158.38	0.26	6.07
Profit for the year (PAT)	19,163.87	23.43	13,917.31	22.09	37.70

Revenue

(Amount in ₹)

Analysis of revenue growth

Growth attributable to	Fiscal 2014 (%)	Fiscal 2013 (%)
Business growth	17.27	16.18
Impact of exchange rate	12.61	12.65
Total growth	29.88	28.83

The growth in business in fiscal 2014 was higher than that of fiscal 2013 primarily on account of (1) increase in number of deals and (2) higher discretionary spending by customers.

The Rupee continued to depreciate in fiscal 2014 in relation to most of the currencies.

	Fiscal 2014			Fiscal 2013	% change in average rates
	High	Low	Average	Average	
USD	68.85	53.67	60.85	54.55	11.55%
GBP	107.01	81.87	97.36	85.89	13.35%
EUR	91.94	69.54	81.93	70.27	16.58%
CAD	65.66	52.60	57.48	54.33	5.80%
AUD	62.44	53.4	56.30	56.26	0.06%

Out of the total revenue earned in fiscal 2014, 93.85% was earned in foreign currencies. Fiscal 2014 witnessed substantial movement in exchange rates particularly affecting USD, GBP and EUR. Net impact of such movement in exchange rates on revenue of the Company has been a positive variance of 12.61% in fiscal 2014 (12.65% in fiscal 2013).

Revenue by industry

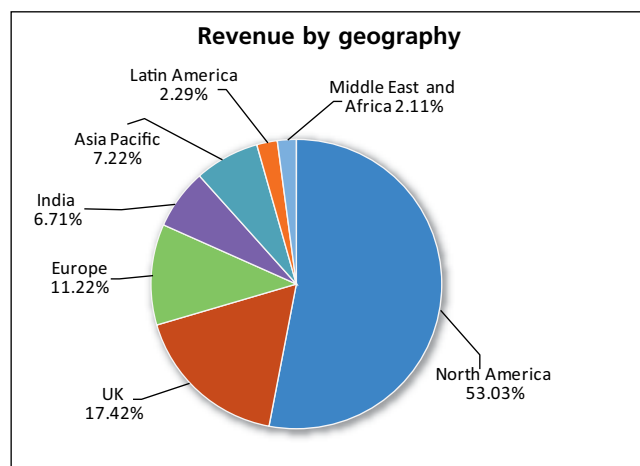
Major industries contributing to revenue of the Company are (1) banking, financial services and insurance, (2) manufacturing, (3) retail and consumer packaged goods (CPG), (4) telecom, media and entertainment and (5) others. 'Others' include (a) hi-tech, (b) life sciences and healthcare, (c) travel, transportation and hospitality and (d) energy, resources and utilities.

During fiscal 2014, revenue from all industries showed double digit growth rates. Industry wise performances are discussed in segment results section.

Revenue by geography

	Fiscal 2014			Fiscal 2013	
	₹ crores	% of revenue	% growth	₹ crores	% of revenue
North America	43,385.87	53.03	28.15	33,854.40	53.75
UK	14,251.38	17.42	32.44	10,760.53	17.08
Europe	9,181.32	11.22	51.69	6,052.88	9.61
Asia- Pacific	5,910.12	7.22	25.75	4,699.95	7.46
India	5,487.80	6.71	12.22	4,890.26	7.76
Latin America	1,873.56	2.29	34.52	1,392.76	2.21
Middle East and Africa	1,719.31	2.11	28.43	1,338.70	2.13
Total	81,809.36	100.00	29.88	62,989.48	100.00

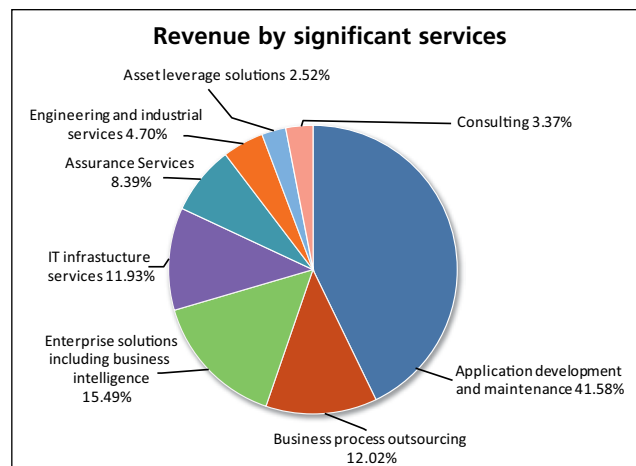
Revenue by geography



Europe recorded highest growth primarily due to TCS' sustained investment in market development and increasing customer acceptance of global delivery model. The growth was also aided by acquisition of Altis SA, one of the top five system integrator companies in France. North America and United Kingdom continue to be major contributors, registering growth in line with the Company average.

Among other markets, Latin America had an impressive growth of 34.52%. While Middle East continued to grow in line with the Company growth rate, growth in Asia-Pacific was marginally lower.

Revenue by services



Application development & maintenance (ADM) continues to be the major contributor although its relative weight to the total revenue has come down over the past years (41.58% in fiscal 2014, 58.20% in fiscal 2006) in line with our strategy of focusing on new services. Consequently, contribution from other services to total revenue has increased.

Service lines which registered significant growth rates during fiscal 2014 were consulting, assurance services, IT infrastructure services, engineering and industrial services (EIS) and enterprise solutions.

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Revenue by services

	Fiscal 2014			Fiscal 2013		
	₹ crores	% of revenue	% growth	₹ crores	% of revenue	% growth
Application development and maintenance (ADM)	34,016.19	41.58	26.17	26,960.76	42.80	23.22
Business process services (BPS)	9,837.06	12.02	25.26	7,853.14	12.47	45.53
Enterprise solutions (ES)	12,671.11	15.49	32.32	9,575.87	15.20	25.06
IT infrastructure services (IT IS)	9,763.57	11.93	35.05	7,229.52	11.48	46.97
Assurance services	6,863.94	8.39	41.34	4,856.29	7.71	33.29
Engineering and industrial services (EIS)	3,848.96	4.70	32.53	2,904.31	4.61	28.60
Asset leverage solutions	2,063.18	2.52	21.30	1,700.83	2.70	(9.51)
Consulting	2,745.35	3.37	43.83	1,908.76	3.03	51.49
Total	81,809.36	100.00	29.88	62,989.48	100.00	28.83

Revenue by nature of contract

Nature of contract	Fiscal 2014 (%)	Fiscal 2013 (%)
Time and material basis	48.04	48.89
Fixed price basis	51.96	51.11
Total	100.00	100.00

The mix of revenue from time and material contracts and contracts on fixed price basis has remained steady with the latter going up marginally in fiscal 2014.

Revenue by location of service delivery

Revenue from local delivery is for those services which are performed at customer locations. Remote delivery revenue reflects the aggregation of revenue from services which are performed at delivery centers located in India (referred to as India delivery center) as well as global delivery centers (GDC) in various countries. The composition of the revenue from India delivery center, global delivery center and local delivery was as follows:

Revenue mix (% of revenue)	Fiscal 2014	Fiscal 2013
India delivery center	47.92	48.54
Global delivery center	5.43	4.78
Remote delivery	53.35	53.32
Local delivery	46.65	46.68
Total	100.00	100.00

Revenue from local, global and India delivery centers are aligned with customer requirements. Mix of revenue from these locations has remained steady.

Employee costs and overseas business expenses

Employee costs include salaries which have fixed and variable components, contribution to retirement funds and pension schemes. It also includes expenses incurred on staff welfare.

Overseas business expenses primarily comprise living allowances paid to employees on overseas assignments.

For purpose of the management discussion and analysis (MD&A), employee related costs included in overseas business expenses and costs related to business associates (BA) have been grouped under 'Employee and BA related costs'.

	Fiscal 2014		Fiscal 2013	
	₹ crores	% of revenue	₹ crores	% of revenue
Employee benefit expenses	29,860.01	36.50	24,039.96	38.17
Overseas business expenses (employee allowances paid overseas)	10,626.29	12.99	7,881.90	12.50
Services rendered by BA and others	4,938.37	6.04	3,763.74	5.98
Total	45,424.67	55.53	35,685.60	56.65

Employee benefit and BA costs have increased by 27.29%. In relation to revenue, this group of expenses is lower by 1.12% in fiscal 2014 as compared to fiscal 2013.

Overseas business expenses (other than employee allowances paid overseas)

Overseas business expenses (other than employee allowances paid overseas) include travel, marketing and office expenses incurred in overseas locations. These expenses as percentage of revenue have decreased from 1.30% (₹ 820.04 crores in fiscal 2013) to 1.23% (₹ 1,010.13 crores in fiscal 2014).

Operation and other expenses

	Fiscal 2014		Fiscal 2013	
	₹ crores	% of revenue	₹ crores	% of revenue
Software, hardware and material costs	3,088.68	3.77	2,652.50	4.21
Communication	874.04	1.07	766.91	1.22
Travelling and conveyance	1,046.75	1.28	816.65	1.30
Rent	1,421.27	1.74	1,165.17	1.85
Legal and professional fees	613.61	0.75	460.53	0.73
Repairs and maintenance	499.11	0.61	409.77	0.65
Electricity	527.10	0.64	475.76	0.75
Recruitment and training	303.46	0.37	249.13	0.40
Others	1,847.75	2.26	1,447.51	2.30
Total	10,221.77	12.49	8,443.93	13.41

There has been a decrease of 0.92% in operation and other expenses as a percentage of revenue (from 13.41% of revenue in fiscal 2013 to 12.49% of revenue in fiscal 2014). The decrease is across the board, in almost all items of expenses, arising out of better expense management.

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA in fiscal 2014 was ₹ 25,152.79 crores (₹ 18,039.91 crores in fiscal 2013). There is an increase of 2.11% in EBITDA as a percentage of revenue. The increase was primarily attributable to:

- improvement in productivity (revenue earned by each Rupee of employee related costs) by 1.12%
- operational efficiency (revenue earned by each Rupee of operational costs) by 0.92%.

Other income (net)

Other income in fiscal 2014 was ₹ 1,636.74 crores (₹ 1,178.23 crores in fiscal 2013), primarily attributable to:

- interest income on bank deposits, inter-corporate deposits and bonds & debentures increased from ₹ 1039.74 crores in fiscal 2013 to ₹ 1,340.00 crores in fiscal 2014 arising out of effective treasury management and
- increase in profit on redemption of mutual funds, from ₹ 41.36 crores in fiscal 2013 to ₹ 173.09 crores in fiscal 2014.

Foreign currency forward, option and futures contracts

TCS enters into foreign currency forward, option and futures contracts to manage its exposure to exchange rate fluctuations, in accordance with its risk management policies.

With effect from January 1, 2014, the Company has adopted hedge accounting principles in line with International Financial Reporting Standard 9 (referred to as IFRS 9), which align more closely with the Company's risk management policy. This change will reduce the volatility in the Company's reported quarterly profit or loss, resulting from the change in the time value of hedging instruments. In accordance with this principle, the change in the time value of hedging instrument is accumulated under hedging reserve, a component of reserves and surplus and is recognised in profit or loss when the forecasted transaction occurs. The change has resulted in a reduction of ₹ 4.76 crores in profit before tax in fiscal 2014.

Foreign currency forward, option and futures contracts outstanding at the reporting dates, other than designated cash flow hedges, are stated at their respective fair values and the resultant gains or losses are accounted as other income in the profit and loss account for the period.

Note 42 to the consolidated accounts provides details of the derivative financial instruments.

Depreciation and amortisation

Depreciation and amortisation increased by 24.93% from ₹ 1,079.92 crores fiscal 2013 to ₹ 1,349.15 crores in fiscal 2014. The increase was spread across all asset groups, mainly attributable to computers, furniture and fixtures, freehold buildings and leasehold improvement.

Profit before tax (PBT)

PBT in fiscal 2014 was ₹ 25,401.86 crores (₹ 18,089.73 crores in fiscal 2013). As a percentage of revenue, PBT increased from 28.72% in fiscal 2013 to 31.05% in fiscal 2014. The increase of 2.33% is mainly due to (1) increase in EBITDA 2.11%, (2) increase in other income 0.13% and (3) decrease in depreciation & amortisation 0.06%.

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Tax expense

Tax expense increased from ₹ 4,014.04 crores in fiscal 2013 to ₹ 6,069.99 crores in fiscal 2014. As a percentage of revenue, it increased from 6.37% in fiscal 2013 to 7.42% in fiscal 2014. The effective tax rate has increased from 22.19% in fiscal 2013 to 23.90% in fiscal 2014, primarily on account of (1) increase in corporate tax rate in India due to increase in surcharge from 5% in fiscal 2013 to 10% in fiscal 2014 and (2) some of the SEZ units losing status of full exemption on expiry of five years.

Provisions of minimum alternative tax (MAT) under the IT Act were applicable to the Company's income excluding its income from SEZ. With effect from April 1, 2011, MAT became applicable to income from SEZ also. Payment of MAT results in tax credit which according to the IT Act can be carried forward for subsequent ten years and adjusted against future tax liabilities. In the view of the Company, it would have sufficient tax liabilities to offset the MAT credits during the prescribed carry forward period. Accordingly, MAT has been recognised as an asset in the balance sheet.

Minority interest

Minority interest registered a marginal increase from ₹ 158.38 crores in fiscal 2013 to ₹ 168.00 crores in fiscal 2014, primarily due to higher profits in the relevant subsidiaries.

Profit after tax (PAT)

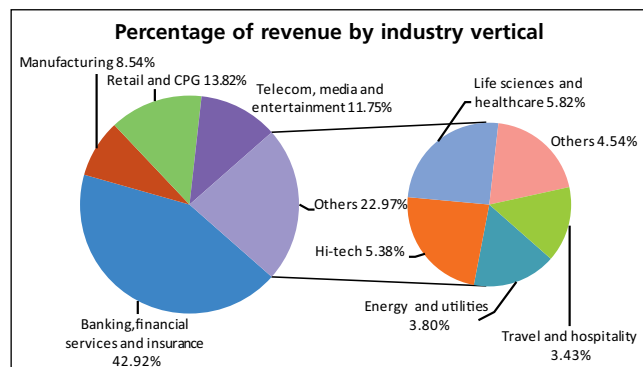
The net profit was ₹ 19,163.87 crores in fiscal 2014 (23.43% of revenue) as compared to ₹ 13,917.31 crores in fiscal 2013 (22.09% of revenue). The increase of 1.34% in terms of revenue is attributable to increase in PBT 2.33% partially offset by higher taxes of 1.05%.

Segment result

The Company considers industry to which the customer belongs as its primary segment and the geography in which the customer is located as its secondary segment. Revenue and expenses directly attributable to segments are reported under each reportable primary segment. The following table presents each industry segment's revenue as percentage of total revenue and each industry segment's result, i.e., operating profit (excluding unallocated expenses) as percentage of total segment result.

	Segment revenue					Segment result				
	Fiscal 2014	Fiscal 2013	Fiscal 2014	Fiscal 2013	% growth	Fiscal 2014	Fiscal 2013	Fiscal 2014	Fiscal 2013	% growth
	₹ crores		% of aggregate revenue			₹ crores		% of aggregate result		
Banking, financial services and insurance	35,112.41	27,146.25	42.92	43.10	29.35	11,522.77	8,014.29	46.04	44.78	43.78
Manufacturing	6,989.36	5,215.52	8.54	8.28	34.01	2,051.15	1,362.65	8.20	7.61	50.53
Retail and consumer packaged goods (CPG)	11,309.06	8,401.22	13.82	13.34	34.61	3,673.75	2,580.64	14.68	14.42	42.36
Telecom, media and entertainment	9,613.74	7,539.71	11.75	11.97	27.51	2,748.56	1,948.81	10.98	10.89	41.04
Others	18,784.79	14,686.78	22.97	23.31	27.90	5,028.96	3,991.73	20.10	22.30	25.98
Total	81,809.36	62,989.48	100.00	100.00	29.88	25,025.19	17,898.12	100.00	100.00	39.82
Unallocable expenses (net)						1,260.07	986.62			
Operating income						23,765.12	16,911.50			
Other income (net)						1,636.74	1,178.23			
Profit before tax						25,401.86	18,089.73			

Revenue by industry in fiscal 2014



In fiscal 2014, BFSI continued to grow steadily at 29.35% over fiscal 2013 due to sustained demand. Industry verticals which recorded high growth in fiscal 2014 were retail and CPG (34.61%) and manufacturing (34.01%). Telecom including media and entertainment grew at 27.51%. Verticals included under 'Others' grew at 27.90%. Amongst these, life sciences and healthcare grew at an impressive rate of 44.96%. Energy, resources and utilities (32.46%) and travel, transportation and hospitality (25.70%) also recorded good growth. Hi-tech grew at 19.52%, in fiscal 2014.

Industry segment wise performance

Banking, financial services and insurance (BFSI)

(₹ crores)

	Fiscal 2014	Fiscal 2013	% growth
BFSI revenue	35,112.41	27,146.25	29.35
% of total revenue	42.92	43.10	
Segment result BFSI	11,522.77	8,014.29	43.78
Segment margin (%)	32.82	29.52	
Contribution to total segment result (%)	46.04	44.78	

The banking and financial services industry continues to bounce back after five years of battling the global financial crisis. During fiscal 2014, the industry witnessed greater underwriting discipline, increasing pricing sophistication and cost optimisation initiatives. Most BFSI companies continue to seek strategic transformation and simplification of technology and business processes to increase agility, enhance customer experience and future-proof operations. Risk management and regulatory compliance will continue to be in the spotlight with significant resource and fund allocations. As digital technologies continue to redefine and blur boundaries between industries, banks are utilising these to create

innovative products and services to enhance customer experience.

Several initiatives are underway to de-layer and rationalise application landscape as well as infrastructure with focused investments in modernisation of key platforms such as lending, deposits, policy administration, claims and billing. The industry continues to commit significant resources to IT security. In addition, banks are likely to invest in collecting and analysing data from enterprise systems and non-traditional sources such as social media, usage based insurance devices and service channels for smarter business decisions and better customer insights.

TCS has enabled offerings to meet the digital demand. It has partnered with industry experts to drive automation based cost savings for banks and has made significant investments to engage and deepen European customer relationships.

In fiscal 2014, BFSI constituted 42.92% of Company's revenue (43.10% in fiscal 2013) and contributed 46.04% of total segment result (44.78% in fiscal 2013).

Telecom, media and entertainment

(₹ crores)

	Fiscal 2014	Fiscal 2013	% growth
Telecom, media and entertainment revenue	9,613.74	7,539.71	27.51
% of total revenue	11.75	11.97	
Segment result telecom, media and entertainment	2,748.56	1,948.81	41.04
Segment margin (%)	28.59	25.85	
Contribution to total segment result (%)	10.98	10.89	

In fiscal 2014, telecom operators witnessed pressure to invest in innovation and increased productivity in the backdrop of stagnating revenues, volatile economies, cost pressures, stricter regulations and shrinking margins.

Communication service providers (CSP) are striving to deliver better and more efficient services. Technology is increasingly taking center stage in their strategy formulation. CSPs are widening the scope of their activity with digital services, connected cars and homes. Long term evolution (LTE) remains major focus for CSPs, although it is not expected to increase its revenue significantly in the short term. Till now, LTE has primarily been seen in North America and China, but in the coming years, it is expected to accelerate in Europe. As operators focus their

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investments on LTE access, advanced services like voice over LTE (VoLTE) are also getting introduced.

A new trend is emerging among telcos to transform themselves so as to address the non-core areas like enterprise mobility, information & communication technology (ICT) services and multipoint to multipoint (M2M) communication among small & medium businesses (SMB).

Media and information services industry continues to march on its journey of digital metamorphosis, a transformation from primarily physical products to largely digital products and services businesses. Different segments within the industry are at different stages in this transformation. This fiscal, we saw the information services industry leaders reporting their digital revenues to be upwards of 50% of overall business and positive organic revenue growth. Publishers are likely to be the next segment to emerge from the shadows of their former selves. We reckon that the entertainment sector will follow publishing to emerge as digital led businesses. New management teams seem to have broad mandate and investment approvals to accelerate the pace of transformation, re-establish their core competencies, and exploit new value chains for scalable digital businesses.

Technology spends as a proportion of revenue is expected to grow from about 2-4% to about 8-10% in these companies.

Revenue in telecom, media & entertainment witnessed remarkable growth of 27.51% in fiscal 2014 as compared to 21.52% in fiscal 2013. Margin has also improved significantly from 25.85% in fiscal 2013 to 28.59% in fiscal 2014.

Retail and consumer packaged goods (CPG)

(₹ crores)

	Fiscal 2014	Fiscal 2013	% growth
Retail and CPG revenue	11,309.06	8,401.22	34.61
% of total revenue	13.82	13.34	
Segment result retail and CPG	3,673.75	2,580.64	42.36
Segment margin (%)	32.48	30.72	
Contribution to total segment result (%)	14.68	14.42	

Fiscal 2014 has been a story of growth and consolidation across technologies and customer segments for the retail and consumer packaged goods (CPG).

The industry has been engaging itself in business transformation to digital technologies prompted by rapid consumer adoption of mobile devices, consumer

activism in digital media and behavioral shift to 'anytime anywhere' shopping. In addition to building the future digital enterprise, retailers are also focusing on modernising their legacy systems and simplifying the business processes and IT landscape, preventing risks of security breach and investing in building efficient systems.

This segment continues to invest in consumer analytics, digital commerce and business intelligence apart from strengthening traditional technology capabilities. This fiscal saw strong engagement with big customers on enterprise mobility, disruptive technologies, supply chain and cloud.

TCS has been focusing on addressing the key industry trends by constantly updating the offerings and solutions for its customers in the area of digital re-imagination and industry-grade solutions based on rich domain expertise. This has resulted in achieving broad-based revenue growth in retail segment with significant wins in managed services, IT transformation, infrastructure support, mobility projects and e-commerce.

The segment revenue has recorded a growth of 34.61% in fiscal 2014 (41.09% in fiscal 2013). Segment result as a percentage of segment revenue improved from 30.72% in fiscal 2013 to 32.48% in fiscal 2014.

Manufacturing

(₹ crores)

	Fiscal 2014	Fiscal 2013	% growth
Manufacturing revenue	6,989.36	5,215.52	34.01
% of total revenue	8.54	8.28	
Segment result manufacturing	2,051.15	1,362.65	50.53
Segment margin (%)	29.35	26.13	
Contribution to total segment result (%)	8.20	7.61	

The manufacturing industry continues to pursue a two-fold path. The first has a focus on cost optimisation and complexity reduction in the current landscape leading to consolidations around enterprise resource planning (ERP), managed services and infrastructure services. The second has a focus on technology led transformational programmes to enhance the end customer experience leveraging digital technologies as mobility, social media and big data. Increasing focus is foreseen on profit driven supply chain planning, global order orchestration capability, rationalisation and modernisation of plant systems. Intense focus on after sales services, warranty and parts businesses, are some other prominent trends.

Automotive industry: Industry growth is looking positive. The business focus is primarily on car electronics, infotainment systems, connected cars, product reliability, new model launch acceleration and improving the customer experience, especially at the dealerships.

Chemical and process industry: The global chemical industry is experiencing a number of inflections driven by globalisation, fluctuating raw material prices and stricter industry regulations. Taking cost out of IT infrastructure and other non-core services through BPS is driving the IT environment. The growth in this sector remains moderately positive with resurgence of the U.S. chemicals industry as well as continued demand in the emerging markets.

Industrial and diversified manufacturing industry: The segment is witnessing optimism with signs that international demand for technologically advanced construction and agricultural equipment are expected to improve. Emerging and developing economies will remain attractive destinations. The sector is witnessing increasing IT spends on managing quality and reliability, field services optimisation and new service models to balance revenue portfolios.

TCS has made significant investment in building the core capability with a focus on strengthening its expertise across the manufacturing value chain, namely in new product innovation, manufacturing excellence, supply chain and customer experience. A core digital focused team has also been formed to focus on the application of new age technology across the manufacturing value chain of our customers. Significant proactive ideation and solution development to help our customers 'reimagine' their business models, and drive simplification is helping the Company to stay ahead.

Manufacturing industry revenue recorded a growth of 34.01% in fiscal 2014 (37.23% in fiscal 2013). Segment results growth 50.53% in fiscal 2014 (38.22% in fiscal 2013) as well as segment margin 29.35% (26.13% in fiscal 2013) were significant.

Others

(₹ crores)

	Fiscal 2014	Fiscal 2013	% growth
Segment revenues - others	18,784.79	14,686.78	27.90
% of total revenue	22.97	23.31	
Segment result others	5,028.96	3,991.73	25.98
Segment margin (%)	26.77	27.18	
Contribution to total segment result (%)	20.10	22.30	

Segments combined in 'others' comprise:

- Life sciences and healthcare
- Energy, resources and utilities
- Travel, transportation and hospitality
- Hi-tech
- Other relatively smaller segments.

Most of the segments grouped in 'others' showed good revenue growth over fiscal 2013, reflecting the Company's growing domain expertise in these industries.

(₹ crores)

	Fiscal 2014	Fiscal 2013	% growth
Life sciences and healthcare			
Revenue	4,762.90	3,285.64	44.96
Result	1,538.81	1,034.68	48.72
Margin	32.31%	31.49%	
Hi-tech			
Revenue	4,401.43	3,682.47	19.52
Result	1,334.69	999.02	33.60
Margin	30.32%	27.13%	
Energy, resources and utilities			
Revenue	3,099.92	2,340.33	32.46
Result	1,038.81	799.16	29.99
Margin	33.51%	34.15%	
Travel, transportation and hospitality			
Revenue	2,802.84	2,229.79	25.70
Result	957.25	765.57	25.04
Margin	34.15%	34.33%	

The segments in aggregate, showed (i) an excellent growth in revenue (27.90% in fiscal 2014, 23.71% in fiscal 2013) and (ii) steady margin (26.77% in fiscal 2014, 27.18% in fiscal 2013). Significant performers in terms of high growth in revenue with good margin are (i) life sciences and healthcare (growth of revenue 44.96%, margin 32.31%), (ii) energy, resources and utilities (growth of revenue 32.46%, margin 33.51% and (iii) travel, transportation and hospitality (growth of revenue 25.70%, margin 34.15%).

Life sciences and healthcare

The pharmaceutical industry continues to undergo significant changes to its business model due to the

increased cost pressure owing to patent cliff, increased regulations and constrained budgets for R&D. As the industry shifts from a mass-market to a target-market approach, there is an increased focus on compliance, transparency and adoption of fair practices. This changed scenario has led companies to focus on various ways to expand their market, to reduce cost and to bring new drugs to the market faster. The medical devices and the biotech markets are going to be the primary growth drivers for the next three years; these are likely to exhibit higher growth than that of the pharmaceutical market.

Healthcare reform legislation, cost containment pressures and the shift from traditional group based business models to a consumer based model are driving unprecedented changes in the healthcare industry, driving healthcare payers and providers to increase agility by modernising legacy systems and processes and increased cloud adoption. Accountable care organisations (ACO) and health exchanges (HIX) are contributing to the move away from the traditional “Payer” and “Provider” distinctions towards “Wellness and Prevention”.

The Company's strong domain knowledge, process outsourcing and technology expertise has enabled it to effectively serve its customers across the value chain. TCS has also made significant contribution towards making its customers aware, adapt and leverage new technologies like mobility, big data, digital marketing etc. to expand and optimise their businesses.

Hi-tech

The hi-tech industry experienced a rebound across its segments during fiscal 2014. The computer hardware and electronics segment maintained its growth momentum for smart phones and tablets over traditional personal computers. This in turn helped growth in the semiconductor segment as demonstrated by the strong performance in the memory sector (DRAM, NAND). Some of the key trends driving the hi-tech industry segment are internet of everything (internet of - things, information, people, places), cloud computing, software as a service, software product engineering, big data and analytics.

Significant momentum in infrastructure services, business process services and enterprise solutions helped drive growth in this segment. There has been an increased demand for vendor consolidation services, transformational projects, engineering and R&D outsourcing services. The hi-tech industry has been making large investments in new technologies, platforms, solutions and segment specific offerings to address the challenges.

The Company has won large deals in existing client portfolio and added new customers in major as well as emerging geographies.

Energy, resources & utilities

Fundamentals of oil and gas, oil field services, mining, metals and engineering, procurement and construction (EPC) industry remain sound. However behavior such as cutbacks in staff, delays in projects and cost savings initiatives are turning up around the industry. Factors like supply demand balance, exploding operating costs, capital project overload, cost of delivery, activist government creating uncertainty contribute significantly to the challenges faced. Uncertainty may lengthen decision cycle time as customers are turning cautious and looking for reduced costs.

Given this industry context, a number of new themes are emerging in the area of customer service with an increased preference for engaging single vendor managing (i) transformation, (ii) inter-regional supply chain management and (iii) single template for execution systems.

The power sector is on the verge of a historical transformation. Consumer empowerment and blurring of industry boundaries is resulting in competition from outside the industry. Demand response, energy efficiency, data from smart meters and digitalisation provides potential to enhance customer experience, create new products & services and make field force more empowered and intelligent. Regulation is also driving changes in utilities. In water industry, leakage reduction and environmental protection are topmost priority. Utilities across the globe are going through a sequence of mergers and acquisition needing rationalisation and simplification of their technology landscape.

In order to stay relevant to our customers, we have aligned our strategy of “Simplification, Digital enterprise and Governance” to customer's IT landscape and are engaging with them to help take cost out, plough back some of the savings into investments for digital projects and help them in area of risk, reliability and predictability.

Travel, transportation and hospitality (TTH)

The companies in TTH industry performed better in fiscal 2014 compared to fiscal 2013, with most of them returning back to profitability. They continued to invest in emerging technologies. In the travel industry, initiatives associated with customer experience, e-commerce and improving workforce productivity gained prominence, while improving efficiency and profitability continued to be the top priority amongst transportation clients.

In fiscal 2014, TCS acquired significant new customers, won some large engagements and ended with a strong deal pipeline. We continue to make investments in industry specific offerings and domain capabilities for serving customers better.

FINANCIAL POSITION — CONSOLIDATED

Share capital

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
Authorised		
420.05 crores equity shares of ₹1 each (March 31, 2013 : 225.00 crores equity shares of ₹1 each)	420.05	225.00
105.03 crores redeemable preference shares of ₹ 1 each (March 31, 2013 : 100.00 crores redeemable preference shares of ₹ 1 each)	105.03	100.00
Total	525.08	325.00
Issued, subscribed and fully paid-up		
195.87 crores equity shares of ₹ 1 each (March 31, 2013 : 195.72 crores equity shares of ₹ 1 each)	195.87	195.72
Nil redeemable preference shares of ₹ 1 each (March 31, 2013 : 100.00 crores redeemable preference shares of ₹ 1 each)	-	100.00
Total	195.87	295.72

The authorised share capital was increased to 420,05,00,000 equity shares of ₹ 1 each and 105,02,50,000 redeemable preference shares of ₹ 1 each pursuant to the amalgamation of certain subsidiaries.

The Company issued 15,06,983 equity shares to the minority shareholders of TCS e-serve Limited, a subsidiary which has been merged during fiscal 2014. 100,00,00,000 redeemable preference shares of ₹ 1 each were redeemed during fiscal 2014.

Short-term and long-term borrowings

The Company's long-term obligations under finance lease (refer note no 5 in consolidated notes to accounts) was ₹ 126.21 crores as at March 31, 2014 (₹ 129.46 crores as at March 31, 2013). These are secured against fixed assets obtained under finance lease arrangements. The secured loans / bank overdrafts are secured against trade receivables.

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Short-term borrowings		Long-term borrowings		Total borrowings	
Secured loans repayable on demand from banks	-	80.02	-	-	-	80.02
Secured loans from other parties	33.58	-	-	-	33.58	-
Unsecured loans repayable on demand from banks	93.51	-	-	-	93.51	-
Secured loans- long term maturities of finance lease obligations	-	-	126.21	129.46	126.21	129.46
Unsecured loans - other borrowings	-	-	1.05	1.52	1.05	1.52
Total	127.09	80.02	127.26	130.98	254.35	211.00

Note 3 to the consolidated financial statements gives the details of movement of share capital.

Reserves and surplus

For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange difference which is accumulated in foreign currency translation reserve. Foreign currency translation reserve increased from ₹ 972.11 crores as at March 31, 2013 to ₹ 1,547.78 crores as at March 31 2014, due to movement in exchange rates of currencies in fiscal 2014.

The closing balance of hedging reserve account, arising out of cash flow hedges as at March 31, 2014 was a net gain of ₹ 29.64 crores (₹ 46.11 crores net gain as at March 31, 2013). Note 42 to the consolidated financial statements gives details of movements in the hedging reserve account.

An amount of ₹ 157.12 crores was transferred to capital redemption reserve during fiscal 2014 pursuant to redemption of preference shares by the Company and by one of its subsidiaries.

Balance in statement of profit and loss as at March 31, 2014 was ₹ 39,504.51 crores (₹ 29,529.97 crores as at March 31, 2013) after appropriation towards equity dividend (interim and proposed final dividend), preference dividend, tax on dividends, transfer to general reserves, statutory reserve and capital redemption reserve.

Reserves and surplus at the end of fiscal 2014 stood at ₹ 48,998.89 crores, an increase of 27.77% over ₹ 38,350.01 crores at the end of fiscal 2013. ₹ 1,883.41 crores was transferred to the general reserve from the profit and loss account for fiscal 2014.

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Trade payables (current liabilities)

Trade payables (current liabilities), representing payables for purchase of goods and services increased from ₹ 4,269.71 crores as at March 31, 2013 to ₹ 5,536.02 crores as at March 31, 2014. As percentage of revenue, trade payables have remained steady (6.77% in fiscal 2014, 6.78% in fiscal 2013).

Deferred tax liability (net) and deferred tax assets (net)

As stated in the accounting policies, deferred tax assets and liabilities are offset, tax jurisdiction-wise. Note 6 of the consolidated accounts brings out details of component-wise deferred tax balances where the net values result into liabilities or assets, jurisdiction-wise.

Deferred tax liability or asset is recognised on timing difference being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Such timing differences resulting in deferred tax liability or asset usually arise on branch profit tax, depreciation and employee benefit expenses.

The net deferred tax liability was ₹ 308.80 crores as at March 31, 2014 (₹ 235.48 crores as at March 31, 2013).

As at March 31, 2014, the net deferred tax asset had a balance of ₹ 420.06 crores (₹ 310.22 crores as at March 31, 2013). The Company assesses the likelihood of deferred tax assets getting recovered from future taxable income.

Other current and long-term liabilities

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Other current liabilities		Other long-term liabilities		Total other liabilities	
Income received in advance	1,050.73	966.26	-	-	1,050.73	966.26
Advance received from customers	62.81	98.00	-	-	62.81	98.00
Other payables	2,413.00	1,955.81	-	-	2,413.00	1,955.81
Other liabilities	94.70	61.45	743.07	446.74	837.77	508.19
Total	3,621.24	3,081.52	743.07	446.74	4,364.31	3,528.26

Other current liabilities

Other current liabilities increased to ₹ 3,621.24 crores as at March 31, 2014 (₹ 3,081.52 crores as at March 31, 2013). The increase was primarily due to the following factors.

- Increase in income received in advance to ₹ 1,050.73 crores as at March 31, 2014 (₹ 966.26 crores as at March 31, 2013). Income received in advance represents advance billings to customers not recognised as revenue.
- Increase in other payables to ₹ 2,413.00 crores as at March 31, 2014 (₹ 1,955.81 crores as at March 31, 2013). Other payables include (1) statutory liabilities ₹ 1179.52 crores as at March 31, 2014 (₹ 866.97 crores as at March 31, 2013) (2) capital creditors ₹ 487.53 crores as at March 31, 2014 (₹ 249.87 crores as at March 31, 2013) and (3) fair values of foreign currency forward and option contracts ₹ 22.95 crores as at March 31, 2014 (₹ 72.10 crores as at March 31, 2013).
- Increase in other liabilities to ₹ 94.70 crores, mainly on account of (1) current maturities of finance lease obligations ₹ 42.05 crores as at March 31, 2014 (₹ 20.03 crores as at March 31, 2013) and (2) operating lease liabilities ₹ 37.09 crores as at March 31, 2014 (₹ 28.12 crores as at March 31, 2013).
- Partially offset by decrease in advance received from customers ₹ 62.81 crores as at March 31, 2014 (₹ 98.00 crores as at March 31, 2013).

Other long-term liabilities

Other long-term liabilities increased to ₹ 743.07 crores as at March 31, 2014 (₹ 446.74 crores as at March 31, 2013). The increase of was primarily attributable to:

- increase in other liabilities to ₹ 358.09 crores as at March 31, 2014 (₹ 142.39 crores as at March 31, 2013)
- increase in lease rental liabilities to ₹ 292.71 crores as at March 31, 2014 (₹ 250.01 crores as at March 31, 2013)
- increase in capital creditors to ₹ 92.27 crores as at March 31, 2014 (₹ 54.34 crores as at March 31, 2013).

Short-term and long-term provisions

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Short-term provisions		Long-term provisions		Total provisions	
Provision for employee benefits	1,046.90	804.22	274.91	348.92	1,321.81	1,153.14
Proposed final dividend on equity shares	3,917.46	2,544.39	-	-	3,917.46	2,544.39
Proposed final dividend on redeemable preference shares	28.76	19.00	-	-	28.76	19.00
Tax on dividend	683.13	455.65	-	-	683.13	455.65
Current income taxes (net)	672.10	410.20	-	-	672.10	410.20
Other provisions	37.61	-	110.68	-	148.29	-
Total	6,385.96	4,233.46	385.59	348.92	6,771.55	4,582.38

The increase in short-term provisions was mainly attributable to:

- proposed final dividend on equity shares ₹ 3,917.46 crores as at March 31, 2014 (₹ 2,544.39 crores as at March 31, 2013)
- provision for employee benefits ₹ 1,046.90 crores as at March 31, 2014 (₹ 804.22 crores as at March 31, 2013)
- tax on dividend ₹ 683.13 crores as at March 31, 2014 (₹ 455.65 crores as at March 31, 2013)
- provision for current taxes ₹ 672.10 crores as at March 31, 2014 (₹ 410.20 crores as at March 31, 2013).

Fixed assets

Additions to the gross block in fiscal 2014 amounted to ₹ 2,284.07 crores (₹ 2,274.86 crores in fiscal 2013).

The Company has been investing in infrastructure development across various locations in India to meet its growing business needs. In fiscal 2014 TCS has invested in state-of-the-art facilities at Mumbai, Ahmedabad, Chennai, Bengaluru, Kochi, Hyderabad, Bhubaneswar and Pune. The Company has also initiated construction of large delivery centers across 15 locations in India, which are presently at different stages of completion.

Goodwill on consolidation

Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indications for impairment.

Goodwill on consolidation as at March 31, 2014 stood at ₹ 2,268.78 crores (₹ 3,581.50 crores as at March 31, 2013). Significant acquisitions over the years which resulted in goodwill were Alti SA, TCS Do Brasil Ltda, TCS Financial Solutions Australia Holdings Pty Limited, Diligenta Limited and TCS Switzerland Ltd. Goodwill pertaining to the acquisition of TCS e-Serve has been adjusted with general reserve in fiscal 2014 consequent to amalgamation of TCS e-Serve with the parent company.

Most of these acquisitions are contributing significantly to the overall financial performance of the Company.

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Overview of funds invested

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Current		Non-current		Total funds invested	
Investments	1,158.47	929.04	2,275.27	968.30	3,433.74	1,897.34
Deposits with banks	13,485.73	5,535.87	1,502.31	2,411.99	14,988.04	7,947.86
Inter-corporate deposits	1,872.00	3,684.78	938.00	-	2,810.00	3,684.78
Cash and bank balances	956.11	1,233.29	-	-	956.11	1,233.29
Total	17,472.31	11,382.98	4,715.58	3,380.29	22,187.89	14,763.27

Investible funds went up by ₹ 7,424.62 crores (₹ 22,187.89 crores as at March 31, 2014, ₹ 14,763.27 crores as at March 31, 2013), mainly driven by:

- increase in deposits with banks by ₹ 7,040.18 crores
- increase in investments of ₹ 1,536.40 crores primarily comprising investments in highly rated bonds and debentures offset by
 - decrease in inter-corporate deposits by ₹ 874.78 crores
 - decrease in cash and bank balances by ₹ 277.18 crores.

Acquisition / amalgamation

Details of acquisition / amalgamations are given in note 30 and 32 to the consolidated financial statements. On June 28, 2013, Tata Consultancy Services Netherlands BV, a wholly owned subsidiary of the Company, acquired 100 percent share capital of Alti S.A., an information technology services company in France, along with its subsidiaries.

In September 2013, TCS e-Serve Limited, a subsidiary, amalgamated with the Company in accordance with the terms of the Scheme of Arrangement sanctioned by the High Court of Judicature at Bombay. The Composite Scheme of Arrangement (Scheme) also included the transfer of SEZ units from TCS e-Serve international Limited to the Company effective April 1, 2013. The Company has issued 15,06,983 equity shares to the minority shareholders of TCS e-Serve Limited pursuant to the Scheme. As a result of the amalgamation, adjustments to goodwill on consolidation and minority interest have been recorded in general reserve.

Tata Information Technology (Shanghai) Company Limited (TITL) merged into Tata Consultancy Services (China) Company Limited (TCS China), with effect from November 5, 2013. As a result of the merger, the holding of TCS in TCS China went up from 74.63% to 90.00%.

Unbilled revenue

Unbilled revenue (UBR) as percentage of revenue declined to 4.90% in fiscal 2014 from 4.99% in fiscal 2013.

Trade receivables (net)

As a percentage of revenue, trade receivables decreased marginally from 22.38% as at March 31, 2013 to 22.28% as at March 31, 2014. The Company monitors trade receivables closely.

Short-term and long-term loans and advances

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Short-term loans and advances		Long-term loans and advances		Total loans and advances	
Loans and advances to employees	311.24	204.00	7.28	8.11	318.52	212.11
Advance tax [including refund receivable (net)]	33.83	4.90	3,067.16	1,934.81	3,100.99	1,939.71
MAT credit entitlement	10.50	4.43	1,885.46	1,840.27	1,895.96	1,844.70
Inter-corporate deposits	1,872.00	3,684.78	938.00	0.00	2,810.00	3,684.78
Prepaid expenses	1,122.53	952.51	217.66	358.04	1,340.19	1,310.55
Capital advances	-	-	356.97	491.79	356.97	491.79
Others	960.70	792.64	814.09	679.86	1,774.79	1,472.50
Total	4,310.80	5,643.26	7,286.62	5,312.88	11,597.42	10,956.14

Loans and advances as at March 31, 2014 increased by ₹ 641.28 crores arising out of increase in long-term loans and advances ₹ 1,973.74 crores offset by a decrease in short-term loans and advances ₹ 1,332.46 crores.

The decrease in short-term loans and advances was primarily attributable to the decrease in inter-corporate deposits by ₹ 1,812.78 crores. This was partially offset by:

- increase in prepaid expenses related to large projects ₹ 170.02 crores
- increase in fair values of foreign exchange forward and currency option contracts ₹ 164.41 crores included in 'others'.

The increase in long-term loans and advances was primarily attributable to:

- increase in advance tax (net of provision for taxes) ₹ 1,132.35 crores, mainly driven by payments made against demands from tax authorities, which have been contested by the Company
- increase in long-term inter corporate deposits ₹ 938.00 crores
- increase in MAT credit ₹ 45.19 crores, mainly due to applicability of MAT on SEZ operations effective April 1, 2011
- offset by a decrease in capital advances ₹ 134.82 crores.

Other current and non-current assets

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Other current assets		Other non-current assets		Total other assets	
Future finance lease receivable less unearned finance income	-	0.93	-	-	-	0.93
Interest receivable	727.41	765.89	34.55	37.51	761.96	803.40
Long term bank deposits	-	-	1,502.31	2,411.99	1,502.31	2,411.99
Other non-current assets	-	-	8.47	5.14	8.47	5.14
Other current assets	7.95	32.42	-	-	7.95	32.42
Total	735.36	799.24	1,545.33	2,454.64	2,280.69	3,253.88

Other current and non-current assets as at March 31, 2014 reduced by ₹ 973.19 crores primarily on account of reduction in long term bank deposits from ₹ 2,411.99 crores as at March 31, 2013 to ₹ 1,502.31 crores as at March 31, 2014.

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CASH FLOW — CONSOLIDATED

The Company's cash flows from operating, investing and financing activities, as reflected in the consolidated statement of cash flow, are summarised in the table below.

Summary of cash flow statement:

(₹ crores)

	Fiscal 2014	Fiscal 2013
Net cash provided by/ (used in)		
Operating activities	14,751.41	11,614.96
Investing activities	(9,667.08)	(6,085.66)
Financing activities	(5,673.24)	(5,729.48)
Exchange difference on translation of foreign currency cash and cash equivalents	215.41	48.05
Net (decrease)/increase in cash and cash equivalents after translation	(373.50)	(152.13)

Cash flows from operating activities

(₹ crores)

	Fiscal 2014	Fiscal 2013
Profit before tax	25,401.86	18,089.73
Adjustments: depreciation and amortisation	1,349.15	1,079.92
Other non-cash adjustments	(16.81)	72.97
Non operating income (net)	(1,488.37)	(1,039.31)
Effect of working capital changes	(3,450.79)	(1,766.54)
Cash generated from operations	21,795.04	16,436.77
Taxes paid	(7,043.63)	(4,821.81)
Net cash provided by operating activities	14,751.41	11,614.96

Cash generated from operations, post adjustments to profit before tax, has gone up from ₹ 16,436.77 crores in fiscal 2013 to ₹ 21,795.04 crores in fiscal 2014, registering a growth of 32.60% over the previous fiscal. In fiscal 2014, an additional amount of ₹ 3,450.79 crores (₹ 1,766.54 crores in fiscal 2013) was used in working capital to meet the expanding business requirements.

The incremental taxes paid in fiscal 2014 mainly include (1) additional tax of ₹ 2,129.82 crores paid by TCS Ltd on its higher income for the year and (2) ₹ 92.00 crores of higher tax on dividend received by TCS Ltd from its overseas subsidiaries.

The resultant net cash inflow from operating activities was ₹ 14,751.41 crores (₹ 11,614.96 crores in fiscal 2013).

Cash flows from investing activities

(₹ crores)

	Fiscal 2014	Fiscal 2013
Fixed asset (net)	(3,112.32)	(2,632.58)
Other investments (net)	(1,286.72)	(520.09)
Fixed deposits with banks (net) having maturity over three months	(7,067.37)	(824.27)
Inter - corporate deposits (net)	874.77	(2,751.37)
Interest received	1,367.72	798.80
Other items (net)	(443.16)	(156.15)
Net cash used in investing activities	(9,667.08)	(6,085.66)

During fiscal 2014, the significant uses of cash in investing activities were purchase of fixed assets, inter-corporate deposits and investment in fixed deposit.

Interest on funds invested went up by 71.22%, from ₹ 798.80 crores in fiscal 2013 to ₹ 1,367.72 crores in fiscal 2014.

'Other Items' in fiscal 2014 includes acquisition of Altis S.A. for ₹ 452.41 crores.

Cash flows from financing activities

(₹ crores)

	Fiscal 2014	Fiscal 2013
Dividend & dividend tax (including tax on dividend from subsidiaries)	(5,489.54)	(5,715.64)
Other payments	(183.70)	(13.84)
Net cash used in financing activities	(5,673.24)	(5,729.48)

In fiscal 2014, dividend paid includes the final dividend payout and tax thereon for fiscal 2013 approved by the shareholders at the last annual general meeting. Final dividend (₹ 8 per share) as well as special dividend (₹ 8 per share) for fiscal 2012 approved in the annual general meeting on June 29, 2012 was paid in fiscal 2013.

Other payments in fiscal 2014 include redemption of preference shares of ₹ 100.00 crores and net payments related on external borrowings.

TCS'S PERFORMANCE TREND (INDIAN GAAP CONSOLIDATED)

PERFORMANCE SUMMARY

(₹ crores)

	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Revenue										
Total revenue	81,809.36	62,989.48	48,893.83	37,324.51	30,028.92	27,812.88	22,619.52	18,685.21	13,263.99	9,748.47
Revenue by delivery location										
India delivery center	39,204.02	30,571.21	24,725.61	19,020.57	15,314.75	12,293.29	9,477.58	7,567.51	4,960.73	3,772.66
Others	42,605.34	32,418.27	24,168.22	18,303.94	14,714.17	15,519.59	13,141.94	11,117.70	8,303.26	5,975.81
Revenue by geographic segments										
North America	43,385.87	33,854.40	26,064.25	20,107.48	15,855.37	14,290.93	11,388.49	9,796.25	7,568.80	5,708.42
UK	14,251.38	10,760.53	7,453.28	5,770.80	4,860.18	5,282.46	4,497.51	3,791.03	2,058.92	1,588.15
Europe	9,181.32	6,052.88	4,928.25	3,479.87	3,149.39	2,929.76	2,105.51	1,529.45	916.42	662.02
India	5,487.80	4,890.26	4,202.29	3,435.06	2,597.90	2,182.12	2,045.62	1,681.99	1,656.91	1,187.57
New growth markets	9,502.99	7,431.41	6,245.76	4,531.31	3,566.08	3,127.61	2,582.39	1,886.49	1,062.94	602.31
Cost										
Employee and BA related cost	45,424.67	35,685.60	27,097.96	20,549.34	16,327.72	15,597.77	12,261.54	9,847.00	6,772.60	4,827.84
Other costs	11,231.90	9,263.97	7,360.56	5,596.81	5,006.65	5,045.31	4,646.60	3,699.36	2,807.09	2,106.80
Total cost (excluding interest & depreciation)	56,656.57	44,949.57	34,458.52	26,146.15	21,334.37	20,643.08	16,908.14	13,546.36	9,579.69	6,934.64
Profitability										
EBIDTA (before other income)	25,152.79	18,039.91	14,435.31	11,178.36	8,694.55	7,169.80	5,711.38	5,138.85	3,684.30	2,813.83
Profit before tax	25,401.86	18,089.73	13,923.31	11,020.62	8,289.63	6,150.07	5,845.95	4,918.28	3,506.62	2,633.69
Profit after tax	19,163.87	13,917.31	10,413.49	9,068.04	7,000.64	5,256.42	5,026.02	4,212.63	2,966.74	1,976.90
Financial position										
Equity share capital	195.87	195.72	195.72	195.72	195.72	97.86	97.86	97.86	48.93	48.01
Reserves and surplus	48,998.89	38,350.01	29,283.51	24,209.09	18,171.00	15,502.15	12,102.26	8,752.24	5,949.88	3,429.53
Gross block	13,897.43	11,622.99	9,447.83	7,792.24	6,419.51	5,843.86	4,291.80	3,197.71	1,951.04	1,170.65
Total investments	3,433.74	1,897.34	1,350.33	1,762.67	3,682.08	1,614.41	2,606.16	1,256.87	704.62	421.54
Net current assets	27,227.38	19,733.75	12,672.65	9,790.38	7,395.02	7,544.12	5,553.32	4,331.11	2,867.18	1,797.09
Earnings per share in ₹										
EPS - as reported	97.67	70.99	53.07	46.27	35.67	53.63	51.36	43.05	60.63	47.37
EPS - adjusted for bonus issue	97.67	70.99	53.07	46.27	35.67	26.81	25.68	21.53	15.16	11.84
Headcount (number)										
Headcount (including subsidiaries) as at March 31	3,00,464	2,76,196	2,38,583	1,98,614	1,60,429	1,43,761	1,11,407	89,419	66,480	45,714

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RATIO ANALYSIS

Ratio Analysis	Units	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09	FY 2007-08	FY 2006-07	FY 2005-06	FY 2004-05
Ratios - financial performance											
Employee cost/total revenue	%	49.49	50.68	50.48	50.38	50.17	52.07	50.45	48.17	46.08	44.98
Other operating cost/total revenue	%	19.77	20.68	19.99	19.67	20.88	22.15	24.30	24.32	26.15	26.16
Total cost/total revenue	%	69.25	71.36	70.48	70.05	71.05	74.22	74.75	72.50	72.22	71.14
EBIDTA (before other income)/ total revenue	%	30.75	28.64	29.52	29.95	28.95	25.78	25.25	27.50	27.78	28.86
Profit before tax/total revenue	%	31.05	28.72	28.48	29.53	27.61	22.11	25.84	26.32	26.44	27.02
Tax/total revenue	%	7.42	6.37	6.95	4.91	3.99	3.02	3.48	3.55	3.84	4.07
Effective tax rate - tax/PBT	%	23.90	22.19	24.42	16.61	14.44	13.64	13.45	13.50	14.53	15.07
Profit after tax/total revenue	%	23.43	22.09	21.30	24.30	23.31	18.90	22.22	22.55	22.37	20.28
Ratios - growth											
Revenue	%	29.88	28.83	31.00	24.30	7.97	22.96	21.06	40.87	36.06	N/A
EBIDTA (before other income)	%	39.43	24.97	29.14	28.57	21.27	25.54	11.14	39.48	30.94	N/A
Profit after tax	%	37.70	33.65	14.84	29.53	33.18	4.58	19.31	42.00	50.07	N/A
Ratios - balance sheet											
Debt-equity ratio	Times	0.01	0.01	0.00	0.00	0.01	0.04	0.04	0.06	0.02	0.06
Current ratio	Times	2.74	2.69	2.22	2.35	1.88	2.26	2.24	2.24	2.25	2.24
Days sales outstanding (DSO) in ₹ terms	Days	81	82	86	80	71	79	87	84	90	77
Days sales outstanding (DSO) in \$ terms	Days	82	82	81	82	74	74	87	88	90	78
Invested funds / total assets	%	43.01	36.38	34.81	36.81	45.68	26.29	28.97	27.03	17.67	17.92
Capital expenditure / total revenue	%	3.80	4.18	4.06	4.85	3.43	3.95	5.58	6.64	4.69	3.72
Operating cash flows / total revenue	%	18.03	18.44	14.27	17.72	24.66	19.45	17.22	18.58	18.76	21.46
Free cash flow/operating cash flow	%	78.90	77.33	71.52	72.66	86.07	79.70	67.60	64.25	74.97	82.64
Depreciation / average gross block	%	10.57	10.25	10.65	10.35	10.78	11.13	15.05	17.10	18.09	13.57
Ratios - per share											
EPS - adjusted for bonus	₹	97.67	70.99	53.07	46.27	35.67	26.81	25.68	21.53	15.16	11.84
Price earning ratio, end of year	Times	21.79	22.14	22.01	25.56	21.89	10.07	15.79	28.97	31.57	30.23
Dividend per share	₹	32.00	22.00	25.00	14.00	20.00	14.00	14.00	13.00	13.50	11.50
Dividend per share - adjusted for bonus ₹	₹	32.00	22.00	25.00	14.00	20.00	7.00	7.00	5.75	3.38	2.88
Market capitalisation / total revenue	Times	5.10	4.88	4.67	6.20	5.09	1.90	3.51	6.53	7.06	7.05

FINANCIAL PERFORMANCE UNCONSOLIDATED

The management discussion and analysis given below relate to the audited financial statements of Tata Consultancy Services Limited (hereinafter referred to as TCS Limited, TCS Ltd or TCSL). The discussion should be read in conjunction with the financial statements and related notes to the financial statements for the year ended March 31, 2014.

Summary

Revenue of TCS Limited aggregated ₹ 64,672.93 crores in fiscal 2014 as compared to ₹ 48,426.14 crores in fiscal 2013, registering a growth of 33.55%.

Other significant financial parameters are:

- Earnings excluding other income, before interest, tax, depreciation, and amortisation (EBITDA) aggregated ₹ 21,533.72 crores in fiscal 2014 (₹ 14,306.27 crores in fiscal 2013), registering a growth of 50.52%
- Profit before tax (PBT) aggregated ₹ 23,544.47 crores in fiscal 2014 (₹15,703.18 crores in fiscal 2013), registering a growth of 49.93%
- Profit after tax (PAT) aggregated ₹18,474.92 crores in fiscal 2014 (₹12,786.34 crores in fiscal 2013), registering a growth of 44.49%
- Earnings per share (EPS) were ₹ 94.15 in fiscal 2014 (₹ 65.22 in fiscal 2013), registering a growth of 44.36%.

DIVIDEND

Decision on dividend is based on Tata Consultancy Services Limited (unconsolidated) financials which excludes the performance of subsidiaries of TCS Limited.

The board of directors decides on interim dividend based on the performance of TCSL during the course of the year. For fiscal 2014, TCSL declared three interim dividends of ₹ 4 per equity share each. A final dividend of ₹ 20 per equity share has been recommended by the board of directors at its meeting held on April 16, 2014.

Post approval of the final dividend of ₹ 20 per equity share by the shareholders, the total dividend for fiscal 2014 would aggregate ₹ 32 per equity share (dividend for fiscal 2013, ₹ 22 per equity share).

The board of directors has recommended dividend of ₹ 0.29 per preference share (₹ 0.19 for fiscal 2013).

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DISCUSSIONS ON FINANCIAL PERFORMANCE - UNCONSOLIDATED

The following table gives an overview of the financial results of TCS Ltd.

	Fiscal 2014		Fiscal 2013		% growth
	₹ crores	% of revenue	₹ crores	% of revenue	
Revenue from operations	64,672.93	100.00	48,426.14	100.00	33.55
Expenses:					
Employee benefit expenses	21,466.56	33.19	17,081.72	35.27	25.67
Overseas business expenses (employee allowances paid overseas)	9,316.28	14.41	6,817.87	14.08	36.65
Services rendered by business associates (BA) and others	4,398.42	6.80	3,653.10	7.55	20.40
Total employee and BA related expenses	35,181.26	54.40	27,552.69	56.90	27.69
Overseas business expenses (other than employee allowance paid overseas)	833.09	1.29	669.68	1.38	24.40
Operation and other expenses	7,124.86	11.01	5,897.50	12.18	20.81
Total expenses	43,139.21	66.70	34,119.87	70.46	26.43
Earnings before interest, tax, depreciation and amortization (EBITDA)	21,533.72	33.30	14,306.27	29.54	50.52
Other income (net) excluding dividend income	1,503.76	2.33	1,121.51	2.32	34.08
Dividend income	1,610.95	2.49	1,108.88	2.29	45.28
Finance costs	23.41	0.04	30.62	0.06	(23.55)
Depreciation and amortisation expense	1,080.55	1.67	802.86	1.66	34.59
Profit before tax (PBT)	23,544.47	36.41	15,703.18	32.43	49.93
Tax expense	5,069.55	7.84	2,916.84	6.03	73.80
Profit for the year (PAT)	18,474.92	28.57	12,786.34	26.40	44.49

Revenue from operations

Total revenue increased from ₹ 48,426.14 crores in fiscal 2013 to ₹ 64,672.93 crores in fiscal 2014, registering a growth of 33.55% (27.09% in fiscal 2013).

Revenue from information technology and consultancy services increased from ₹ 46,874.72 crores in fiscal 2013 to ₹ 63,332.83 crores in fiscal 2014, a growth of 35.11% (27.73% in fiscal 2013).

Revenue from sale of equipment and software licenses decreased from ₹ 1,551.42 crores in fiscal 2013 to ₹ 1,340.10 crores in fiscal 2014, a decrease of 13.62% (increase of 10.42% in fiscal 2013). Sale of equipment and software licenses constituted 2.07% of total revenue in fiscal 2014 (3.20% in fiscal 2013).

Expenses

Employee and BA related expenses

	Fiscal 2014		Fiscal 2013		% growth
	₹ crores	% of revenue	₹ crores	% of revenue	
Employee benefit expenses	21,466.56	33.19	17,081.72	35.27	25.67
Overseas business expenses (employee allowances paid overseas)	9,316.28	14.41	6,817.87	14.08	36.65
Services rendered by business associates (BA) and others	4,398.42	6.80	3,653.10	7.55	20.40
Total	35,181.26	54.40	27,552.69	56.90	27.69

Total employee and BA related expenses have increased by 27.69% from ₹ 27,552.69 crores in fiscal 2013 to ₹ 35,181.26 crores in fiscal 2014. These costs as a percentage of revenue were 54.40% in fiscal 2014 (56.90% in fiscal 2013). The decrease of 2.50% in terms of revenue is primarily attributable to decrease in employee benefit expenses by 2.08% and decrease in cost of services rendered by BA and others by 0.75%, partially offset by increase in overseas business expenses by 0.33%.

Overseas business expenses (other than employee allowances paid overseas)

Overseas business expenses (other than employee allowances paid overseas) went up from ₹ 669.68 crores (1.38 % of revenue) in fiscal 2013 to ₹ 833.09 crores (1.29 % of revenue) in fiscal 2014. This increase was mainly due to increase in overseas travel related costs.

Operation and other expenses

	Fiscal 2014		Fiscal 2013		% growth
	₹ crores	% of revenue	₹ crores	% of revenue	
Software, hardware and material costs	2,442.64	3.78	2,244.88	4.64	8.81
Communication expenses	529.48	0.82	417.27	0.86	26.89
Travelling and conveyance expenses	671.40	1.04	485.32	1.00	38.34
Rent	1,044.05	1.61	792.60	1.64	31.72
Legal and professional fees	277.84	0.43	242.69	0.50	14.48
Repairs and maintenance	404.36	0.62	271.93	0.56	48.70
Electricity expenses	463.25	0.72	375.61	0.78	23.33
Recruitment and training expenses	205.06	0.31	166.06	0.34	23.49
Others	1,086.78	1.68	901.14	1.86	20.60
Total	7,124.86	11.01	5,897.50	12.18	20.81

Operation and other expenses as percentage of revenue decreased from 12.18% in fiscal 2013 to 11.01% in fiscal 2014. The decrease of 1.17% was primarily due to:

- decrease in software, hardware and material costs 0.86%
- decrease in legal and professional fees 0.07%
- decrease in other expenses 0.18%.

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Earnings before interest, tax, depreciation and amortization (EBITDA) excluding other income

EBITDA increased from ₹ 14,306.27 crores (29.54% of revenue) in fiscal 2013 to ₹ 21,533.72 crores (33.30% of revenue) in fiscal 2014. The increase in the EBITDA of 3.76% as a percentage of revenue during fiscal 2014 was primarily attributable to:

- decrease in employee and BA related costs by 2.50%
- decrease in operation and other expenses by 1.17%.

Other income (net)

	Fiscal 2014		Fiscal 2013	
	₹ crores	% of revenue	₹ crores	% of revenue
Dividend income	1,610.95	2.49	1,108.88	2.29
Interest income	1,280.07	1.98	837.02	1.73
Exchange gain (net)	5.00	0.01	223.05	0.46
Profit on redemption of mutual funds and sale of other investments (net)	162.77	0.25	20.23	0.04
Others (net)	55.92	0.09	41.21	0.09
Total	3,114.71	4.82	2,230.39	4.61

The increase in other income of 0.21% as a percentage of revenue, is primarily attributable to:

- increase in dividend received from subsidiaries 0.20%
- increase in interest income on bank deposits, inter-corporate deposits and bonds & debentures 0.25%
- increase in profit on redemption of mutual funds 0.21%
- offset by decrease in exchange gain (net) 0.45%.

Depreciation and amortisation

Depreciation and amortisation increased by 34.59% from ₹ 802.86 crores in fiscal 2013 to ₹ 1,080.55 crores in fiscal 2014. The increase was spread across all asset groups, mainly attributable to furniture and fixtures, computers, freehold buildings, electrical installation and leasehold improvement.

Profit before tax (PBT)

PBT increased from ₹ 15,703.18 crores (32.43% of revenue) in fiscal 2013, to ₹ 23,544.47 crores (36.41% of revenue) in fiscal 2014. The primary reasons for the increase in the PBT as a percentage of revenue of 3.98% were:

- increase in EBITDA 3.76%
- increase in dividend income 0.20%
- decrease in finance cost 0.02%.

Tax expense

The tax expense increased from ₹ 2,916.84 crores in fiscal 2013 (6.03% of revenue) to ₹ 5,069.55 crores in fiscal 2014 (7.84% of revenue). The effective tax rate (ETR) has gone up from 18.57% in fiscal 2013 to 21.53% in fiscal 2014. The increase in ETR is primarily attributable to (1) increase in corporate tax rate in India due to increase in surcharge from 5% in fiscal 2013 to 10% in fiscal 2014 and (2) certain SEZ units in India entering the second phase of tax holiday, where tax benefit is restricted to 50% of the first phase of five years.

Profit for the year (PAT)

PAT was ₹ 18,474.92 crores in fiscal 2014 (₹ 12,786.34 crores in fiscal 2013). Net profit margin increased from 26.40% in fiscal 2013 to 28.57% in fiscal 2014. The increase of 2.17% was attributable to higher PBT 3.98% offset by higher taxes 1.81%.

FINANCIAL POSITION – UNCONSOLIDATED

Share capital

The authorised share capital increased to 420,05,00,000 equity shares of ₹ 1 each and 105,02,50,000 redeemable preference shares of ₹ 1 each pursuant to the amalgamation of certain subsidiaries.

TCSL issued 15,06,983 equity shares to the minority shareholders of TCS e-Serve Limited, a subsidiary which has been amalgamated during fiscal 2014.

100,00,00,000 redeemable preference shares of ₹ 1 each, held by Tata Sons Limited were redeemed on March 28, 2014. The fixed cumulative dividend of 1% per annum and the variable non cumulative dividend on the shares so redeemed will be paid subsequent to the shareholder's approval in a general meeting.

Note 3 to the unconsolidated financial statements gives the details in movement of share capital.

Reserves and surplus

General reserve as at March 31, 2013 was ₹ 5,515.11 crores. On transfer of 10.00% of the profit after tax in fiscal 2014 amounting to ₹ 1,847.49 crores (₹ 1,278.63 crores in fiscal 2013) and adjusting the reserve on account of merger of TCS e-Serve Ltd and demerger of SEZ undertaking of TCS e-Serve International Ltd into TCSL by ₹ 2,201.40 crores the general reserve as at March 31, 2014 decreased to ₹ 5,161.20 crores.

Foreign currency translation reserve was ₹ 225.85 crores as at March 31, 2014 (₹ 174.61 crores as at March 31, 2013).

The closing balance in hedging reserve account arising out of cash flow hedges as at March 31, 2014 showed an accumulated gain of ₹ 29.64 crores (₹ 55.49 crores as at March 31, 2013). Note 39 to notes to accounts gives details of movements in the hedging reserve account.

An amount of ₹ 100.00 crores was transferred to capital redemption reserve during fiscal 2014 pursuant to redemption of preference shares by TCSL.

Balance in the statement of profit and loss as at March 31, 2014 was ₹ 36,420.45 crores (₹ 24,602.85 crores as at March 31, 2013) after appropriation towards dividend on equity shares and preference shares, tax on dividend, transfer to capital redemption reserve and general reserves.

Reserves and surplus as at March 31, 2014 were ₹ 43,856.01 crores (₹ 32,266.53 crores, as at March 31, 2013), an increase of 35.92%.

Borrowings

Long-term borrowings

Long-term borrowings as at March 31, 2014 aggregated ₹ 89.69 crores (₹ 83.10 crores as at March 31, 2013) primarily due to finance lease obligations of ₹ 88.64 crores (₹ 81.58 crores as at March 31, 2013) which are secured against fixed assets. For details refer note 34 'Obligations towards finance leases' of the unconsolidated notes to accounts.

Deferred tax liability (net) and deferred tax assets (net)

As stated in the accounting policies, deferred tax assets and liabilities are offset, tax jurisdiction-wise. Note 6 of the unconsolidated notes to accounts brings out details of component-wise deferred tax balances where the net values result into liabilities or assets, jurisdiction-wise.

Deferred tax liability or asset is recognised on timing difference being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Such timing differences resulting in deferred tax liability or asset usually arise from items like branch profit tax, depreciation and employee benefit expenses.

The net deferred tax liability was ₹ 226.87 crores as at March 31, 2014 (₹ 168.49 crores as at March 31, 2013).

As at March 31, 2014, the net deferred tax asset had a balance of ₹ 273.58 crores (₹ 148.23 crores as at March 31, 2013). The Company assesses the likelihood of deferred tax assets getting recovered from future taxable income.

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Other current liabilities and long-term liabilities

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Other current liabilities		Other long-term liabilities		Total other liabilities	
Income received in advance	753.74	683.59	-	-	753.74	683.59
Advance received from customers	21.96	46.46	-	-	21.96	46.46
Other payables and liabilities	1,684.62	1,442.66	690.44	251.87	2,375.06	1,694.53
Total	2,460.32	2,172.71	690.44	251.87	3,150.76	2,424.58

Other current and long-term liabilities increased to ₹ 3,150.76 crores as at March 31, 2014 (₹ 2,424.58 crores as at March 31, 2013). Current liabilities increased to ₹ 2,460.32 crores as at March 31, 2014 (₹ 2,172.71 crores as at March 31, 2013).

The increase in other payables and liabilities was primarily due to:

- increase in capital creditors ₹ 230.32 crores
- increase in lease rental liabilities ₹ 135.92 crores
- increase in statutory current liabilities such as value added tax (VAT), tax deducted at source (TDS) etc. ₹ 87.02 crores
- net increase in other liabilities ₹ 227.27 crores.

Short-term and long-term provisions

Provisions aggregated ₹ 6,107.44 crores as at March 31, 2014 (₹ 4,165.66 crores as at March 31, 2013). The composition of provisions is given in the table below:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Short-term provisions		Long-term provisions		Total provisions	
Provision for employee benefits	761.99	639.95	168.93	269.52	930.92	909.47
Proposed final dividend on equity shares	3,917.46	2,544.39	-	-	3,917.46	2,544.39
Proposed dividend on redeemable preference shares	28.76	19.00	-	-	28.76	19.00
Tax on dividend	670.66	435.65	-	-	670.66	435.65
Current income taxes	411.35	257.15	-	-	411.35	257.15
Provision for other payables	37.61	-	110.68	-	148.29	-
Total	5,827.83	3,896.14	279.61	269.52	6,107.44	4,165.66

The increase of ₹ 1,941.78 crores in provisions was mainly attributable to:

- increase in proposed final dividend on equity shares ₹ 1,373.07 crores
- increase in tax on dividend ₹ 235.01 crores
- increase in current income taxes(net) ₹ 154.20 crores.

Fixed assets

Significant additions to gross block in fiscal 2014 were:

- computer equipment ₹ 766.19 crores (₹ 558.49 crores in fiscal 2013)
- land and buildings ₹ 531.16 crores (₹ 801.07 crores in fiscal 2013)
- office equipment ₹ 299.89 crores (₹ 207.15 crores in fiscal 2013)
- leasehold improvements ₹ 229.72 crores (₹ 87.08 crores in fiscal 2013)
- furniture & fixtures and electrical installations ₹ 417.21 crores (₹ 303.60 crores in fiscal 2013).

TCSL entered into contractual commitments with vendors who are executing various infrastructure projects. The estimated amounts of such contracts remaining to be executed on capital account aggregated ₹ 2,811.44 crores as at March 31, 2014 (₹ 3,328.51 crores as at March 31, 2013).

Current investments and non-current investments

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Current investments		Non-current investments		Total	
Investments in bonds and debentures	727.87	335.13	2,185.11	693.60	2,912.98	1,028.73
Investments in fully paid-up equity shares of subsidiaries	-	-	2,473.13	4,889.33	2,473.13	4,889.33
Investments in fully paid-up preference shares of subsidiaries	-	2.80	359.45	363.04	359.45	365.84
Other investments	6.00	10.72	80.86	29.76	86.86	40.48
Total	733.87	348.65	5,098.55	5,975.73	5,832.42	6,324.38

Decrease in total investments of ₹ 491.96 crores in fiscal 2014 was primarily attributable to:

- decrease in investments in fully paid-up equity shares of subsidiaries on account of amalgamation of TCS e-Serve Limited ₹ 2,426.20 crores
- increase in investments in bonds and debentures ₹ 1,884.25 crores.

Unbilled revenue

In fiscal 2014, unbilled revenue was 4.06% of revenue (4.76% for fiscal 2013).

Trade receivables

As a percentage of revenue, trade receivables were at 22.38% as at March 31, 2014 compared to 23.13% as at March 31, 2013.

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Short-term and long-term loans and advances

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Short-term loans and advances		Long-term loans and advances		Total loans and advances	
Capital advances	-	-	351.99	476.44	351.99	476.44
Security deposits	-	-	548.23	449.06	548.23	449.06
Advance tax (including refunds receivable (net))	-	-	2,913.02	1,459.78	2,913.02	1,459.78
MAT Credit entitlement	-	-	1,810.61	1,772.31	1,810.61	1,772.31
Other loans and advances	3,688.12	4,733.38	1,251.69	472.62	4,939.81	5,206.00
Total	3,688.12	4,733.38	6,875.54	4,630.21	10,563.66	9,363.59

Loans and advances as at March 31, 2014 increased by ₹ 1,200.07 crores. The increase was primarily attributable to:

- increase in advance tax ₹ 1,453.24 crores, mainly driven by payments made against demands from tax authorities, some of which have been contested by TCSL
- increase in security deposits ₹ 99.17 crores
- increase in MAT credit ₹ 38.30 crores, mainly due to increase in SEZ profit, which is subjected to MAT effective April 1, 2011

offset by:

- decrease in other loans and advances ₹ 266.19 crores, mainly due to decrease in inter corporate deposits
- decrease in capital advances ₹ 124.45 crores.

Other current and non-current assets

(₹ crores)

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Other current assets		Other non-current assets		Total	
Interest receivable	715.61	667.74	34.52	29.30	750.13	697.04
Long - term bank deposits	-	-	1,477.00	1,851.90	1,477.00	1,851.90
Others	24.41	14.60	33.47	-	57.88	14.60
Total	740.02	682.34	1,544.99	1,881.20	2,285.01	2,563.54

Other current and non-current assets as at March 31, 2014 were lower by ₹ 278.53 crores primarily on account of reduction in long term fixed deposits with banks.

Cash & bank balances

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
Short - term bank deposits	12,112.90	3,719.78
Cash and cash equivalents and earmarked balances with banks	453.36	334.38
Total	12,566.26	4,054.16

CASH FLOW - UNCONSOLIDATED

TCSL's growth has been financed largely by cash generated from operations. It has sufficient cash generated from operations for meeting its working capital requirements as well as the requirements for capital expenditure.

Banking and financing arrangements

As at March 31, 2014, TCSL had available line of credit with multiple banks aggregating ₹ 5,334.00 crores, interchangeable between fund-based and non-fund based limits (₹ 5,334.00 crores as at March 31, 2013). As at March 31, 2014 TCSL had utilised ₹ 1,707.50 crores of these limits (₹1,861.08 crores utilised as at March 31, 2013).

Summary of cash flow statement is given below:

(₹ crores)

	Fiscal 2014	Fiscal 2013
Net cash provided by/ (used in)		
Operating activities	12,941.93	9,156.95
Investing activities	(7,189.32)	(3,482.98)
Financing activities	(5,684.32)	(5,655.80)
Net increase / (decrease) in cash and cash equivalents	68.29	18.17
Adjustment on account of merger	2.57	3.39
Exchange difference on translation of foreign currency cash and cash equivalents	43.66	(16.68)
Net increase / (decrease) in cash and cash equivalents after adjustments	114.52	4.88

Cash flows from operating activities

(₹ crores)

	Fiscal 2014	Fiscal 2013
Operating profit before working capital changes	21,495.39	14,571.59
Effect of working capital changes	(2,458.04)	(1,776.48)
Taxes paid	(6,095.42)	(3,638.16)
Net cash provided by operating activities	12,941.93	9,156.95

In fiscal 2014, TCSL generated net cash of ₹ 12,941.93 crores (₹ 9,156.95 crores in fiscal 2013) from operating activities. This is attributable to:

- increase in operating profit before working capital changes to ₹ 21,495.39 crores in fiscal 2014 (₹ 14,571.59 crores in fiscal 2013)

- offset by increase in incremental working capital requirement ₹ 2,458.04 crores in fiscal 2013 (₹ 1,776.48 crores in fiscal 2013).

The incremental taxes paid in fiscal 2014 mainly include (1) additional tax of ₹ 1,629.00 crores paid by TCS Ltd on its higher income for the year, (2) additional tax of ₹ 232.00 crores paid by TCS e-Serve Limited which is amalgamated with TCSL in fiscal 2014, (3) ₹ 505.00 crores paid by TCS Ltd in fiscal 2014 under protest against contested demands for earlier years and (4) ₹ 92.00 crores of higher tax on dividend received by TCS Ltd from its overseas subsidiaries.

Cash flows from investing activities

(₹ crores)

	Fiscal 2014	Fiscal 2013
Fixed assets (net)	(2,694.44)	(2,250.42)
Acquisition of subsidiaries	-	(163.92)
Trade investments (net)	29.66	2.20
Mutual funds (net)	(1,485.84)	(163.75)
Inter-corporate deposits (net)	866.77	(2,575.37)
Fixed deposit with banks having original maturity over three months (net)	(6,783.67)	(89.55)
Dividends received from subsidiaries (including exchange gain)	1,551.10	1,109.44
Interest received	1,318.45	655.69
Others	8.65	(7.30)
Net cash used in by investing activities	(7,189.32)	(3,482.98)

In fiscal 2014, TCSL used ₹ 7,189.32 crores for investing activities (₹ 3,482.98 crores in fiscal 2013).

During fiscal 2014, significant use of cash in investing activities was primarily attributable to:

- investment in fixed deposits with banks (net) ₹ 6,783.67 crores in fiscal 2014 (₹ 89.55 crores in fiscal 2013)
- purchase of fixed assets (net) ₹ 2,694.44 crores in fiscal 2014 (₹ 2,250.42 crores in fiscal 2013)
- mutual funds (net) ₹ 1,485.84 crores in fiscal 2014 (₹ 163.75 crores in fiscal 2013).

Cash provided by investing activities was primarily attributable to:

- dividends from subsidiaries ₹ 1,551.10 crores in fiscal 2014 (₹ 1,109.44 crores in fiscal 2013)
- interest received from investments in fixed deposits,

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inter-corporate deposits and bonds & debentures ₹ 1,318.45 crores in fiscal 2014 (₹ 655.69 crores in fiscal 2013)

- inter-corporate deposits(net) ₹ 866.77 crores in fiscal 2014 (₹ 2,575.37 crores used in fiscal 2013).

Cash flows from financing activities

(₹ crores)

	Fiscal 2014	Fiscal 2013
Repayment of long term borrowings	(1.24)	(1.24)
Short term borrowings (net)	(80.02)	80.02
Repayment of inter corporate deposits	-	(5.00)
Dividend paid including dividend tax	(5,480.07)	(5,703.16)
Interest paid	(22.99)	(26.42)
Redemption of preference shares	(100.00)	-
Net cash used in financing activities	(5,684.32)	(5,655.80)

The significant items of cash used in financing activities in fiscal 2014 were payment of dividend ₹ 5,480.07 crores including dividend tax (₹ 5,703.16 crores in fiscal 2013) and redemption of preference shares to Tata Sons Limited ₹ 100.00 crores (₹ nil in fiscal 2013).

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

TCS has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

TCS has a well defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. TCS uses a state-of-the-art ERP system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with global best practices.

TCS has appointed Ernst & Young LLP to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors (Deloitte Haskins & Sells LLP) and the audit committee. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in its operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes, including most of the subsidiaries and foreign branches.

TCS has an audit committee, the details of which have been provided in the corporate governance report.

The audit committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets TCS' statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

CAUTIONARY STATEMENT

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

MANAGEMENT DISCUSSION AND ANALYSIS
COMMITMENT SCOPE FOCUS ON MERITOCRACY
UNCONSOLIDATED FINANCIAL STATEMENTS
CORPORATE GOVERNANCE EXCELLENCE INCLUSIVE
AGILITY FOCUS ASPIRE SECURITY
INNOVATION REPORT AMBITIOUS
CONSOLIDATED FINANCIAL STATEMENTS
HONESTY BUSINESS RESPONSIBILITY REPORT
VALUES
CONFIDENCE
DNA
DIRECTORS' REPORT

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Corporate Governance Report for the year 2013-14

I. Company's Philosophy on Corporate Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Tata culture and ethos. The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in software services, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the Tata companies. The Company believes in adopting the 'best practices' that are followed in the area of corporate governance across various geographies.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. The Company has in place an Information Security Policy that ensures proper utilisation of IT resources.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

II. Board of Directors

- i. As on March 31, 2014, the Company has eleven Directors with a Non-Executive Chairman and a Non-Executive Vice Chairman. Of the eleven Directors, ten (i.e. 90.91%) are Non-Executive Directors and six (i.e. 54.55%) 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 Non-Executive Directors are responsible for the day to day affairs of the Company.
- ii. None of the Directors on the Board, is Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2014, have been made by the Directors.
- iii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2014, are given hereinbelow. Other directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

Name of the Director	Category	Number of Board meetings during the year 2013-14		Whether attended last AGM held on June 28, 2013	Number of Directorships in other public companies		Number of committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Cyrus Mistry (Chairman) DIN 00010178	Non-Independent, Non-Executive	7	7	Yes	9	-	1	-
Mr. S. Ramadorai (Vice-Chairman) DIN 00000002	Non-Independent, Non-Executive	7	7	Yes	7	6	2	5
Mr. N. Chandrasekaran (Chief Executive Officer and Managing Director) DIN 00121863	Non-Independent, Executive	7	7	Yes	1	1	-	1
Mr. Aman Mehta DIN 00009364	Independent, Non-Executive	7	7	Yes	-	5	2	2
Mr. V. Thyagarajan DIN 00017541	Independent, Non-Executive	7	7	Yes	-	1	-	1
Prof. Clayton M. Christensen DIN 00020111	Independent, Non-Executive	7	3	No	-	-	-	-
Dr. Ron Sommer DIN 00621387	Independent, Non-Executive	7	6	Yes	-	1	-	-
Dr. Vijay Kelkar DIN 00011991	Independent, Non-Executive	7	6	Yes	1	6	1	2
Mr. Ishaat Hussain DIN 00027891	Non-Independent, Non-Executive	7	7	Yes	2	11	4	5
Mr. Phiroz Vandrevala DIN 01778976	Non-Independent, Non-Executive	7	7	Yes	-	2	-	1
Mr. O. P. Bhatt DIN 00548091	Independent, Non-Executive	7	7	Yes	-	3	1	4

Video/tele-conferencing facilities are also used to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings.

- iv. Seven Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:
April 17, 2013; June 28, 2013; July 18, 2013; September 14, 2013; October 15, 2013; January 16, 2014 and March 21, 2014.
The necessary quorum was present for all the meetings.
- v. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- vi. During the year 2013-14, information as mentioned in Annexure 1A to clause 49 of the Listing Agreements has been placed before the Board for its consideration.

III. Committees of the Board

A. Audit Committee

- i. The Audit Committee of the Company is constituted in line with the provisions of clause 49 of the Listing Agreements entered into with the Stock Exchanges read with section 292A of the Companies Act, 1956 ("Act").
- ii. The terms of reference of the Audit Committee are broadly as under:
 - Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

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- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.
 - Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualifications in draft audit report;
 - significant adjustments arising out of audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - compliance with stock exchange and legal requirements concerning financial statements;
 - any related party transactions as per Accounting Standard 18.
 - Reviewing the Company's financial and risk management policies.
 - Disclosure of contingent liabilities.
 - Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Looking into the reasons for substantial defaults in payments to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
 - Reviewing compliances as regards the Company's Whistle Blower Policy.
- iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.
- iv. The previous Annual General Meeting (AGM) of the Company was held on June 28, 2013 and was attended by Mr. Aman Mehta, Chairman of the Audit Committee.
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Mr. Aman Mehta (Chairman)	Independent, Non-Executive	6	6
Mr. V. Thyagarajan	Independent, Non-Executive	6	6
Dr. Ron Sommer	Independent, Non-Executive	6	4
Dr. Vijay Kelkar	Independent, Non-Executive	6	4
Mr. Ishaat Hussain	Non-Independent, Non-Executive	6	5
Mr. O. P. Bhatt	Independent, Non-Executive	6	6

- vi. Six Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

April 17, 2013; June 28, 2013; July 18, 2013; October 15, 2013; January 16, 2014 and March 21, 2014.

The necessary quorum was present for all the meetings.

B. Remuneration Committee

- i. The Company has a Remuneration Committee of Directors.
- ii. The broad terms of reference of the Remuneration Committee are as under:
 - To approve the annual remuneration plan of the Company;
 - To approve the remuneration and commission/incentive payable to the Managing Director for each financial year;
 - To approve the remuneration and annual performance bonus payable to the Chief Financial Officer and the Executive Vice Presidents of the Company for each financial year;
 - Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.
- iii. The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Mr. Aman Mehta (Chairman)	Independent, Non-Executive	1	1
Mr. Cyrus Mistry	Non-Independent, Non-Executive	1	1
Mr. S. Ramadorai	Non-Independent, Non-Executive	1	1
Mr. V. Thyagarajan	Independent, Non-Executive	1	1

One meeting of the Remuneration Committee was held during the year on April 17, 2013.

- iv. The Company does not have any Employee Stock Option Scheme.

- v. Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the members and are effective April 1, each year. The Remuneration Committee decides on the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director and each Executive Director.

During the year 2013-14, the Company paid sitting fees of ₹ 10,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Members have at the AGM of the Company on June 30, 2009, approved of payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

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vi. Details of the Remuneration for the year ended March 31, 2014:

a. Non-Executive Directors:

(₹ lakh)

Name	Commission	Sitting Fees
Mr. Cyrus Mistry	-	0.80
Mr. S. Ramadorai	820.00	1.30
Mr. Aman Mehta	170.00	1.40
Mr. V. Thyagarajan	125.00	1.60
Prof. Clayton M. Christensen	95.00	0.30
Dr. Ron Sommer	125.00	1.10
Dr. Vijay Kelkar	100.00	1.10
Mr. Ishaat Hussain	125.00	1.70
Mr. Phiroz Vandrevala	40.00	0.70
Mr. O. P. Bhatt	105.00	1.90

b. Managing Director:

Name of Director and period of appointment	Salary (₹ lakh)	Benefits Perquisites and Allowances (₹ lakh)	Commission (₹ lakh)	ESPS
Mr. N. Chandrasekaran Chief Executive Officer and Managing Director (w.e.f. October 6, 2009 for a period of 5 years)	130.76	237.54	1500	Nil

The above figures do not include provisions for encashable leave, gratuity and premium paid for Group Health Insurance, as separate actuarial valuation/premium paid are not available for the Managing Director.

Services of the Managing Director may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

vii. Details of equity shares of the Company held by the Directors as on March 31, 2014 are given below:

Name	Number of equity shares
Mr. Cyrus Mistry	41,63,526
Mr. S. Ramadorai	1,99,120
Mr. N. Chandrasekaran	88,528
Mr. Ishaat Hussain	1,740

The Company has not issued any convertible debentures.

C. Shareholders/Investors Grievance Committee

- The Company has a Shareholders/Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.
- One meeting of the Shareholders/Investors Grievance Committee was held during the year on January 15, 2014.

- iii. The composition of the Shareholders/Investors Grievance Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Mr. V. Thyagarajan (Chairman)	Independent, Non-Executive	1	1
Mr. S. Ramadorai	Non-Independent, Non-Executive	1	1
Mr. O. P. Bhatt	Independent, Non-Executive	1	1

- iv. The Company has always valued its customer relationships. This philosophy has been extended to investor relationship and an Investor Relations Department (IRD) was set up in June 2004, prior to the Company's Initial Public Offer of shares. The IRD focuses on servicing the needs of various stakeholders viz., investors, analysts, brokers and the general public.

- v. Name, designation and address of Compliance Officer:

Mr. Suprakash Mukhopadhyay
Vice President and Company Secretary
Tata Consultancy Services Limited
11th Floor, Air India Building
Nariman Point, Mumbai 400 021
Tel: 91 22 6778 9285, Fax: 91 22 6630 3672

- vi. Details of investor complaints received and redressed during the year 2013-14 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
2	138	139	1*

* Complaint was received during the last week of March 2014 and addressed subsequently.

D. Other Committees

- i. Ethics and Compliance Committee:

In terms of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Insider Trading Code") adopted by the Company, applicable to the Directors, officers and other employees, the Company has an Ethics and Compliance Committee of Directors. The Committee considers matters relating to the Insider Trading Code and the Company's Code of Conduct ("CoC").

Monthly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code and the CoC. One meeting of the Ethics and Compliance Committee was held during the year on January 15, 2014.

The composition of the Ethics and Compliance Committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Mr. S. Ramadorai	Non-Independent, Non-Executive	1	1
Mr. V. Thyagarajan	Independent, Non-Executive	1	1

Mr. Rajesh Gopinathan, Chief Financial Officer, was appointed as the Compliance Officer by the Board in 2012-13, to ensure compliance and effective implementation of the Insider Trading Code.

- ii. Bank Account Committee:

The Company has a Bank Account Committee of Directors comprising of Mr. Aman Mehta (Independent, Non-Executive) and Mr. N. Chandrasekaran (Non-Independent, Executive). The Bank Account Committee is responsible for approval of the opening and closing of bank accounts of the Company and to authorise persons to operate the bank accounts of the Company.

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iii. Nominations Committee:

The Company has a Nominations Committee of Directors comprising of Mr. V. Thyagarajan (Independent, Non-Executive) as the Chairman, Mr. Cyrus Mistry (Non-Independent, Non-Executive) and Prof. Clayton M. Christensen (Independent, Non-Executive).

The Nominations Committee is responsible 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:

The Company has an Executive Committee of Directors comprising of Mr. Cyrus Mistry (Non-Independent, Non-Executive) as the Chairman, Mr. S. Ramadorai (Non-Independent, Non-Executive), Prof. Clayton M. Christensen (Independent, Non-Executive), Dr. Ron Sommer (Independent, Non-Executive) and Mr. N. Chandrasekaran (Non-Independent, Executive).

The Executive Committee's role covers a detailed review of the following matters before these are presented to the Board:

- 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.

The above matters were discussed in various Board meetings held during the year with the presence of the Executive Committee members with an intent to avail expertise of all the Board members.

v. Software Technology Parks of India (STPI)/Special Economic Zone (SEZ) Committee:

The Company has a STPI/SEZ Committee of Directors comprising of Mr. V. Thyagarajan (Independent, Non-Executive) and Mr. N. Chandrasekaran (Non-Independent, Executive). The STPI/SEZ Committee is responsible for approval, from time to time, of registration/renewal of registration/de-registration of various offices of the Company under the STPI/SEZ schemes and such other schemes as may be deemed fit by them, and to also approve other STPI/SEZ/other scheme(s) related matters.

vi. Risk Management Committee:

The Risk Management Committee is responsible for advising the Company on foreign exchange matters and framing the broad guidelines for investment of surplus funds of the Company.

Five meetings of the Risk Management Committee were held during the year on April 2, 2013; April 29, 2013; October 29, 2013; December 18, 2013 and March 10, 2014.

The composition of the Risk Management Committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Mr. Ishaat Hussain	Non-Independent, Non-Executive	5	5
Mr. S. Ramadorai	Non-Independent, Non-Executive	5	3
Mr. N. Chandrasekaran	Non-Independent, Executive	5	5
Mr. O. P. Bhatt	Independent, Non-Executive	5	5

vii. Health, Safety and Sustainability Committee:

The Health, Safety and Sustainability Committee of Directors is responsible for framing and implementation of broad guidelines/policies with regard to the Health, Safety and Sustainability activities of the Company, review the policies, processes and systems periodically and recommend measures for improvements from time to time.

One meeting of the Health, Safety and Sustainability Committee was held during the year on January 15, 2014.

The composition of the Health, Safety and Sustainability Committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Dr. Vijay Kelkar (Chairman)	Independent, Non-Executive	1	1
Dr. Ron Sommer	Independent, Non-Executive	1	1
Mr. N. Chandrasekaran	Non-Independent, Executive	1	1

IV. General Body Meetings

i. General Meeting

a. Annual General Meeting:

Financial year	Date	Time	Venue
2010-11	July 1, 2011	3.30 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020
2011-12	June 29, 2012		
2012-13	June 28, 2013		

b. Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2013-14.

c. Court Convened Meeting of the equity shareholders:

A Court Convened meeting of the equity shareholders of the Company was held on May 31, 2013 at 3.30 p.m at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020, in terms of the Order dated April 12, 2013 of the Hon'ble High Court of Judicature at Bombay, for obtaining the requisite approval of the shareholders for the Composite Scheme of Arrangement under Sections 391-394 of the Companies Act, 1956, between Tata Consultancy Services Limited and TCS e-Serve Limited and TCS e-Serve International Limited and their respective shareholders.

ii. Postal Ballot:

No Postal Ballot was conducted during the year 2013-14.

iii. Special Resolutions:

No special resolution was passed by the Company in any of its previous three AGMs.

V. Disclosures

- There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years 2011-12, 2012-13 and 2013-14 respectively: NIL
- The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to the clause 49 of the Listing Agreements entered into with the Stock Exchanges:
 - The Company has set up a Remuneration Committee, details of which have been given earlier in this Report.
 - A message from the CEO and Managing Director on the half-yearly financial performance of the Company including a summary of the significant events in the six month period ended September 30, 2013, was sent to every member in October 2013.
 - The statutory financial statements of the Company are unqualified.
 - The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.

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iv. Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

VI. Subsidiary companies

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

VII. Means of communication

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include The Indian Express, Financial Express, Deccan Chronicle, Lok Satta, Business Standard, The Hindu Business Line, Hindustan Times and Sandesh. The results are also displayed on the Company's website "www.tcs.com". Press Releases made by the Company from time to time are also displayed on the Company's website. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company's website. A list of Frequently Asked Questions (FAQs) giving details about the Company and its shares is uploaded on the Company's website under 'Investor FAQs' section. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

VIII. General shareholder information

i. Annual General Meeting:

Date	: June 27, 2014
Time	: 3.30 p.m.
Venue	: Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg New Marine Lines, Mumbai 400 020

As required under clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on June 27, 2014.

ii. Financial Calendar:

Year ending	: March 31
AGM in	: June
Dividend Payment	: The final dividend, if declared, shall be paid/credited on July 4, 2014.

iii. Date of Book Closure/Record Date

: As mentioned in the Notice of the AGM to be held on June 27, 2014.

iv. Listing on Stock Exchanges

: National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (East), Mumbai 400 051

: BSE Limited (BSE)
25th Floor, P. J. Towers, Dalal Street
Mumbai 400 001

v. Stock Codes/Symbol:

NSE	: TCS
BSE	: 532540

Listing Fees as applicable have been paid.

vi. Corporate Identification Number (CIN) of the Company

: L22210MH1995PLC084781

vii. Dividend Policy:

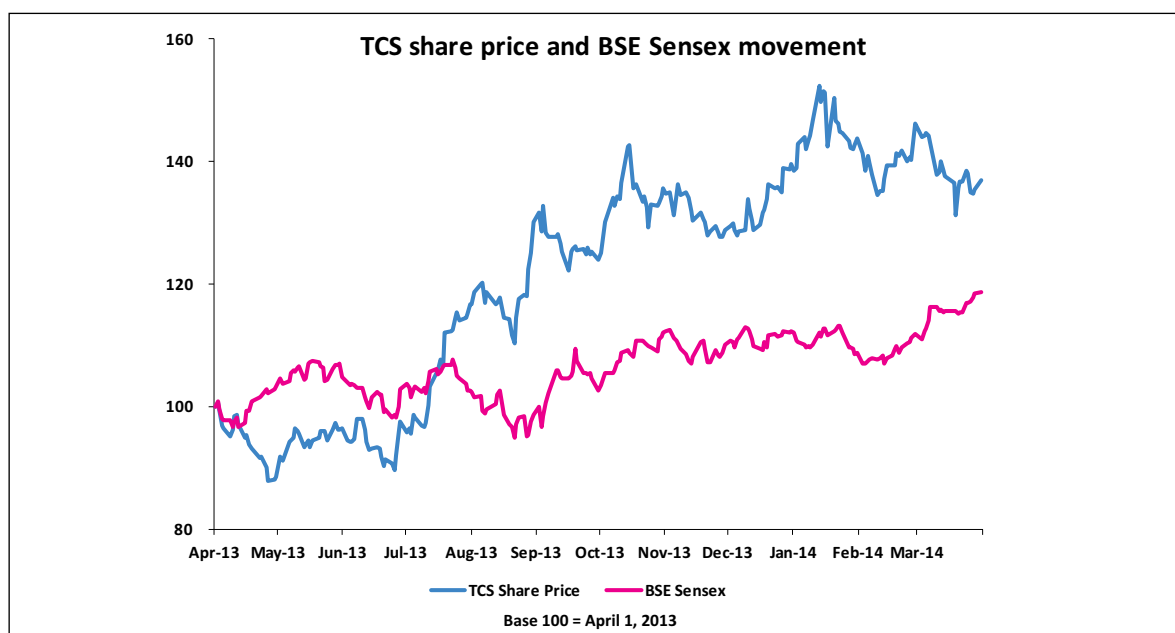
Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to shareholders.

viii. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2013-14 on NSE and BSE:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
April 2013	1,567.35	1,369.35	3,36,29,192	1,566.65	1,368.20	32,60,032
May 2013	1,514.10	1,418.50	2,60,81,596	1,514.40	1,418.75	20,90,831
June 2013	1,525.05	1,392.30	2,88,01,324	1,525.95	1,394.05	19,73,093
July 2013	1,815.50	1,489.80	2,85,94,428	1,815.10	1,485.70	34,59,215
August 2013	2,033.20	1,717.80	3,04,17,687	2,023.15	1,717.00	31,52,017
September 2013	2,069.10	1,902.55	3,07,42,965	2,065.95	1,901.80	25,36,159
October 2013	2,215.40	1,949.05	3,09,59,766	2,218.15	1,945.55	32,78,043
November 2013	2,121.95	1,984.60	1,82,44,018	2,121.15	1,984.50	14,90,123
December 2013	2,172.05	1,987.15	2,03,36,758	2,170.95	1,990.15	20,52,348
January 2014	2,368.75	2,153.30	3,30,68,683	2,370.30	2,153.70	27,78,322
February 2014	2,275.75	2,093.55	2,28,35,195	2,272.80	2,093.70	14,85,563
March 2014	2,251.90	2,039.40	3,21,46,183	2,250.15	2,040.95	33,48,870

ix. Performance of the share price of the Company in comparison to the BSE Sensex:



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x. Registrars and Transfer Agents:

Name and Address	: TSR DARASHAW Private Limited (TSRDPL) 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi Mumbai 400 011
Telephone	: 91 22 6656 8484
Fax	: 91 22 6656 8494
E-mail	: csg-unit@tsrdarashaw.com
Website	: www.tsrdarashaw.com

xi. Places for acceptance of documents:

Documents will be accepted at	: TSR DARASHAW Private Limited 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi Mumbai 400 011
Time	: 10.00 a.m. to 3.30 p.m. (Monday to Friday except bank holidays)

For the convenience of the shareholders based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSRDPL:

a. Branches of TSRDPL:

- | | |
|---|---|
| <ul style="list-style-type: none">• TSR DARASHAW Private Limited
503, Barton Centre, 5th Floor
84, Mahatma Gandhi Road
Bangalore 560 001
Telephone: 91 80 2532 0321
Fax: 91 80 2558 0019
E-mail: tsrdlbg@tsrdarashaw.com• TSR DARASHAW Private Limited
Tata Centre, 1st Floor
43, J. L. Nehru Road
Kolkata 700 071
Telephone: 91 33 2288 3087
Fax: 91 33 2288 3062
E-mail: tsrdlcl@tsrdarashaw.com | <ul style="list-style-type: none">• TSR DARASHAW Private Limited
'E' Road, Northern Town
Bistupur
Jamshedpur 831 001
Telephone: 91 657 2426616
Fax: 91 657 2426937
E-mail: tsrdljsr@tsrdarashaw.com• TSR DARASHAW Private Limited
2/42, Ansari Road, 1st Floor
Daryaganj, Sant Vihar
New Delhi 110 002
Telephone: 91 11 2327 1805
Fax: 91 11 2327 1802
E-mail: tsrdldel@tsrdarashaw.com |
|---|---|

b. Agent of TSRDPL:

Shah Consultancy Services Limited
3, Sumatinath Complex, 2nd Dhal,
Pritam Nagar, Ellisbridge,
Ahmedabad 380 006
Telefax: 91 79 2657 6038
E-mail: shahconsultancy8154@gmail.com

xii. Share Transfer System:

99.93% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with TSRDPL at any of the above mentioned addresses.

Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary), under the authority of the Board, severally approve transfers, which are noted at subsequent board meetings.

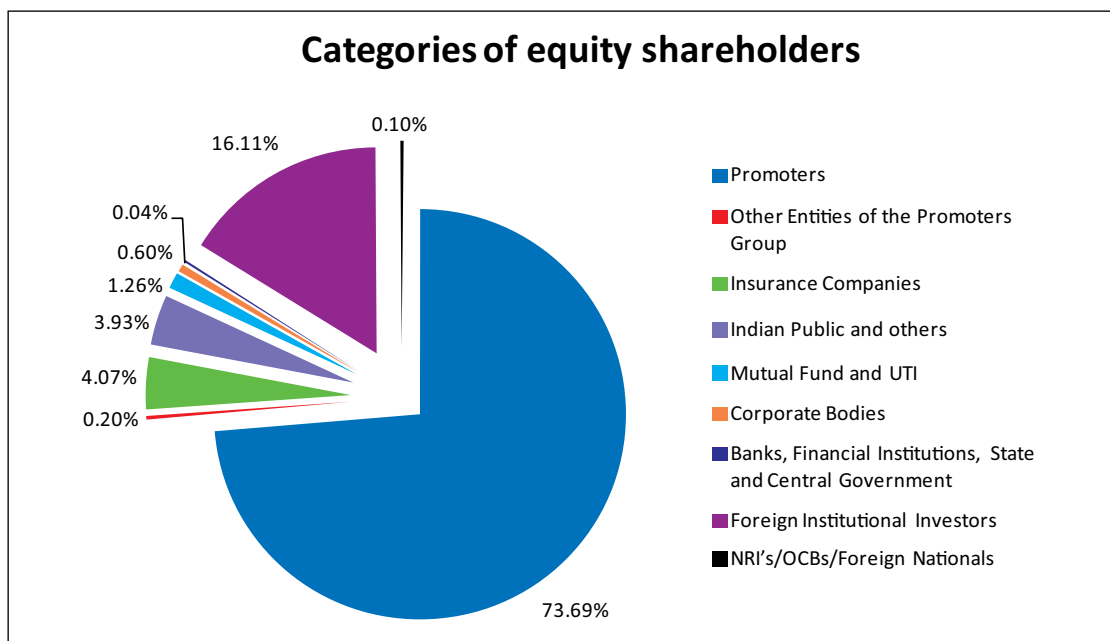
xiii. Shareholding as on March 31, 2014:

a. Distribution of equity shareholding as on March 31, 2014:

Number of shares	Holding	Percentage to capital	Number of accounts	Percentage to total accounts
1 - 100	1,94,87,564	0.99	4,96,987	83.00
101 - 500	1,80,60,742	0.92	83,011	13.85
501 - 1000	72,61,037	0.37	10,210	1.71
1001 - 5000	1,29,13,411	0.66	6,437	1.08
5001 - 10000	44,57,938	0.23	630	0.11
10001 - 20000	51,69,293	0.26	358	0.06
20001 - 30000	38,31,665	0.20	155	0.03
30001 - 40000	38,36,608	0.20	110	0.02
40001- 50000	37,49,786	0.19	83	0.01
50001 -100000	1,75,75,067	0.90	240	0.04
100001 - above	1,86,23,84,868	95.08	535	0.09
GRAND TOTAL	1,95,87,27,979	100.00	5,98,756	100.00

b. Categories of equity shareholders as on March 31, 2014:

Category	Number of equity shares held	Percentage of holding
Promoters	1,44,34,51,698	73.69
Other Entities of the Promoters Group	39,69,412	0.20
Insurance Companies	7,96,67,652	4.07
Indian Public and others	7,70,32,215	3.93
Mutual Fund and UTI	2,46,03,469	1.26
Corporate Bodies	1,17,46,554	0.60
Banks, Financial Institutions, State and Central Government	7,93,546	0.04
Foreign Institutional Investors	31,54,54,993	16.11
NRI's/OCBs/Foreign Nationals	20,08,440	0.10
GRAND TOTAL	1,95,87,27,979	100.00



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c. Top ten equity shareholders of the Company as on March 31, 2014:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of holding
1	Tata Sons Limited	144,34,51,698	73.69
2	Life Insurance Corporation of India	4,45,37,764	2.27
3	Franklin Templeton Investment Funds	2,33,16,367	1.19
4	Aberdeen Global Indian Equity (Mauritius) Limited	1,14,00,000	0.58
5	Oppenheimer Developing Markets Fund	99,16,961	0.51
6	Government of Singapore	87,11,318	0.44
7	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Fund	82,37,765	0.42
8	Lazard Asset Management LLC A/C Lazard Emerging Markets Portfolio	77,68,771	0.40
9	Stichting Pensioenfond ABP	70,78,171	0.36
10	National Westminster Bank Plc as Depositary of First State Asia Pacific Leaders Fund a Sub Fund of First State Investments ICVC	69,65,138	0.36

xiv. Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. NSDL and CDSL. Equity shares of the Company representing 99.93% of the Company's equity share capital are dematerialised as on March 31, 2014.

The Company's equity shares are regularly traded on NSE and BSE, in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE467B01029.

xv. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2014, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

xvi. Equity shares in the suspense account:

In accordance with the requirement of clause 5A(I) of the Listing Agreements entered into with the Stock Exchanges, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2013	188	7,644
Shareholders who approached the Company for transfer of shares from suspense account during the year	6	380
Shareholders to whom shares were transferred from the suspense account during the year	4	284
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2014	184	7,360

The voting rights on the shares outstanding in the suspense account as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

xvii. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Act, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company and erstwhile TCS e-Serve Limited (e-Serve), which has amalgamated with the Company, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2014, nor shall any payment be made in respect of such claims. Members who have not yet encashed their dividend warrant(s) pertaining to the Final Dividend for the financial year 2006-07 and onwards are requested to make their claims without any delay to TSRDPL.

- a) For shareholders of erstwhile TCS e-Serve Limited (e-Serve) which has amalgamated with the Company:
The following table gives information relating to outstanding dividend accounts and the dates by which they can be claimed by the shareholders:

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2006-07	December 12, 2007	December 11, 2014
2007-08	December 18, 2008	December 17, 2015
2008-09	December 19, 2008	December 18, 2015
2009-10	August 24, 2010	August 23, 2017
2010-11	August 12, 2011	August 11, 2018
2011-12	July 10, 2012	July 9, 2019
2012-13	May 30, 2013	May 29, 2020

- b) For shareholders of Tata Consultancy Services Limited (TCS):

A separate communication has been sent in December 2013 to the shareholders of TCS who have not encashed their dividend warrants and which are not yet transferred to IEPF, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

The following table gives information relating to outstanding dividend accounts and the dates by which they can be claimed by the shareholders in the financial year 2014-15:

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2006-07	June 29, 2007	June 28, 2014
2007-08	July 16, 2007	July 15, 2014
	October 15, 2007	October 14, 2014
	January 16, 2008	January 15, 2015

xviii. Plant location:

In view of the nature of the Company's business viz. Information Technology (IT) Services and IT Enabled Services, the Company operates from various offices in India and abroad. The Company has a manufacturing facility at 17-B, Tivim Industrial Estate, Karaswada, Mapusa-Bardez, Goa.

xix. Address for correspondence:

Tata Consultancy Services Limited
9th Floor, Nirmal Building
Nariman Point
Mumbai 400 021
Telephone: 91 22 6778 9595
Fax: 91 22 6778 9660
Designated e-mail address for Investor Services: investor.relations@tcs.com
Website: www.tcs.com

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2014, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive Vice President cadre and the Company Secretary as on March 31, 2014.

N. Chandrasekaran

Chief Executive Officer and Managing Director

Mumbai, April 16, 2014

COMPLIANCE CERTIFICATE

TO THE MEMBERS OF

TATA CONSULTANCY SERVICES LIMITED

We have examined the compliance of conditions of Corporate Governance by **TATA CONSULTANCY SERVICES LIMITED** ('the Company'), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreements of the Company entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm Registration No. 117366W/W-100018)

P. R. RAMESH

Partner

(Membership No. 70928)

Mumbai, April 16, 2014

CONSOLIDATED FINANCIAL STATEMENTS
VALUES **COMMITMENT** **SCOPE** DIRECTORS' REPORT
UNCONSOLIDATED **DNA** **BUSINESS** INTEGRITY EXCELLENCE **DNA**
FINANCIAL STATEMENTS **RESPONSIBILITY** ASPIRE SECURITY
AGILITY FOCUS **INNOVATION** **REPORT** INTEGRITY RIGOUR FOCUS ON
MANAGEMENT DISCUSSION AND ANALYSIS **LEAD** **HONESTY** CORPORATE **CHANGE**
CONFIDENCE GOVERNANCE REPORT

TATATATA
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TATATATA
ATATATAT

Business Responsibility Report

(As per clause 55 of the Listing Agreement)

Introduction

Tata Consultancy Services Limited (TCS) has adopted the 'triple bottom-line' approach, recognising People, Planet and Profit as the primary pillars of corporate sustainability.

At TCS, corporate sustainability is demonstrated through (a) fair, transparent and ethical governance, (b) engagement with marginalised and vulnerable communities, (c) adherence and respect to all human rights, (d) offering specialised services and solutions to meet distinct needs of its clients, (e) reduction of impact of its operations on the environment and (f) promotion of employee well-being and safety.

TCS operates in a large number of geographies across the globe. All these units of operation are encouraged to identify target beneficiaries in line with their local needs. The objective is to drive sustainability through various initiatives across the units of operation, supply chain, community and customers. While volunteering by employees is encouraged, the Company also utilizes its own expertise in IT to address needs of the community and the environment.

Section A: General Information about the Company

- Corporate identity number (CIN) of the Company:** L22210MH1995PLC084781
- Name of the Company:** Tata Consultancy Services Limited
- Registered address:** 9th Floor, Nirmal Building, Nariman Point, Mumbai - 400 021
- Website:** www.tcs.com
- E-mail id:** corporate.sustainability@tcs.com
- Financial year reported:** April 1, 2013 to March 31, 2014
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

ITC CODE	PRODUCT DESCRIPTION
85249009	Computer software

- List three key products/services that the Company manufactures/provides (as in balance sheet):**
 - Application development and maintenance
 - Enterprise solutions including business intelligence and
 - Business process services.

9. Total number of locations where business activity is undertaken by the Company:

There are 132 global locations.

i. Number of International Locations (Provide details of major 5)

North America	21
Latin America	14
UK & Ireland	26
Europe	31
Asia Pacific	19
Middle East & Africa	9
Total	120

ii. Number of National Locations:

12 National locations.

10. Markets served by the Company:

North America, Latin America, United Kingdom & Ireland, Europe, Asia Pacific, Middle East & Africa and India

Section B: Financial Details of the Company

(₹ crores)

FY 2013-14			
		Unconsolidated	Consolidated
1.	Paid up capital	195.87	195.87
2.	Total turnover	67,787.64	83,446.10
	(a) Revenue from operation	64,672.93	81,809.36
	(b) Other income	3,114.71	1,636.74
3.	Profit after tax (PAT)	18,474.92	19,163.87

- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 0.48%

5. List of activities in which expenditure in 4 above has been incurred:

Sr. no.	Particulars	Amount spent in ₹ crores
1	Education	51.75
2	Health	30.77
3	Environment	11.08

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies? Yes

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Yes, 18 of the subsidiaries participate in BR activities.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

The Company does not mandate its suppliers/ distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt

such practices and follow the concept of being a responsible business.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies:

- **DIN Number:** 00121863
- **Name:** Mr. N. Chandrasekaran
- **Designation:** Chief Executive Officer and Managing Director

b. Details of the BR head:

Sr. no.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr. Ajoyendra Mukherjee
3	Designation	Executive Vice President & Global Head HR
4	Telephone number	022 – 67789999
5	e-mail id	corporate.sustainability@tcs.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

TATA CONSULTANCY SERVICES LIMITED

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Sr. no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner / CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board / Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://knowmax.ultimatix.net/sites/ethics-cop/Codes%20of%20Conduct/TCOC.2013_English.pdf		"MyHR" view restricted to employees	"Knomax" View restricted to employees	Same as P1	http://www.tcs.com/about/corp_responsibility/environmental/Pages/default.aspx	Same as P1	"Knomax" View restricted to employees	Same as P1
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y Communicated to internal stakeholders	Y Communicated to internal stakeholders	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: Quarterly

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes its sustainability report on GRI 3.1 framework annually. It is also available on the Company's website www.tcs.com/cs

Section E: Principle-wise performance

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? No

2. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

All companies in TCS group are covered by the policy

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

437 complaints were received during the year 2013-14, from various stakeholders; 90.4% of these were satisfactorily resolved.

Additional Information

The Tata Code of Conduct (TCoC) is the guiding document on principles of responsible business conduct for all employees. Created in 1998, the TCoC has been influenced by the UN Declaration of Human Rights and the ILO principles. Within TCS, it is available on the intranet and on the Company's webpage. Guided by the managers and a global network of local ethics counsellors, all employees adhere to the principles laid down in the TCoC. The Corporate Sustainability Assessment which is conducted annually includes review of awareness and adherence to the TCoC.

The satisfaction index of the awareness of TCoC within TCS' employee satisfaction survey was 78.02

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

TCS has evolved its strategy around integrated customer-centric services delivered from multiple global locations with consistent quality through its Global Network Delivery Model (GNDM™). The Company follows rigorous

quality management processes to ensure highest quality of service delivery. TCS is the world's first organisation to achieve an enterprise-wide Maturity Level 5 on CMMI® and P-CMM® based on SCAMPISM.

TCS has evolved an Integrated Quality Management System (iQMS) which caters to all types of services it delivers and is aligned with the strategic objectives of the Company. iQMS is an integrated approach for implementing practices of world-class quality models such as ISO 9001:2008 (Quality Management), ISO 20000:2011 (Service Management), CMMI, ISO 27001:2013 (Security Management), ISO 14001:2004 (Environmental Management) and BS OHSAS 18001:2007 (Occupational Health and Safety Management).

The assured world class quality of services ensures that the IT system built by TCS would be safe and sustainable throughout the lifetime of the system anywhere in the world.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

There are many examples, some of which are well known to the public at large - three of these are mentioned below.

a. TCS Financial Inclusion platform

The Financial Inclusion solution from TCS B@NCS is a comprehensive microfinance platform that facilitates banking services to the unbanked population.

It provides organisations with increased transparency, clear audit trails and greater control over their transactions. With the usage of biometric technology and smart card technology, it helps prevent fraud.

The financial inclusion component runs on remote, handheld devices and is capable of reaching out and delivering services to remote areas inaccessible to traditional banking network. The solution helps banks overcome the key barrier of lack of infrastructure in remote areas providing doorstep banking in such regions.

The key factors in TCS B@NCS gateway, leading to a successful microfinance solution, include the following:

- Seamless integration with a bank's core banking solution online (offline, when necessary)
- Extensive outreach
- Low operational costs, by design
- Focus on compliance and fraud prevention
- Proven and standardised technology

b. DigiGov™

DigiGov™ is a Government workflow optimisation solution to facilitate optimised planning and execution, automation, monitoring and effective communication among different government departments. Healthcare, tax, treasury, police, municipality, public works are some of the functions where this automated and efficient integrated system can impact the working of government functions. The integrated system consists of different payment gateway, security, accounting, single signon, organisation setup, hosting services, G2G services, G2C services, business services, collaboration, content management, MIS applications, publications, authentication, back-end connectivity, multiple SDP support, which are further connected to the internet and to users and government entities. The Company has won many state level awards (Gujarat, Rajasthan, Himachal Pradesh) from 2007-2013.

c. EC View

EC View is a comprehensive, enterprise-wide energy and carbon management tool that helps sustainability officers to track and manage the energy and carbon footprints. The tool assists in assessing the as-is status of the energy/carbon footprint, identifying areas for improvement, choosing appropriate methodologies to improve the current situation.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

- i. **TCS Financial Inclusion platform** - Not applicable.
- ii. **DigiGov™** - Not applicable
- iii. **EC View** - Not applicable

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

- i. **TCS Financial Inclusion platform** - Not applicable; addressed area is social concern.
- ii. **DigiGov™** - Not applicable; addressed area is social concern.

iii. EC View

- EC View is being used to monitor energy consumption of 3 TCS facilities namely, TCS Siruseri Chennai, TCS Kochi and TCS Sahyadri Park
- 3% energy savings (~INR 3.7 crores p.a.) is expected across these three facilities

3. Does the company have procedures in place for sustainable sourcing (including transportation)? Yes

i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sustainable sourcing describes a sourcing exercise which goes beyond economic considerations and takes into account environmental, social and ethical factors as well. It is a widely practiced tool within TCS and the endeavour is to maximise its reach with every passing year. TCS has a 'Health, Safety & Environment Policy' (HSEP). The vendors have to ensure compliance to the policy. It covers various issues like health of their workers deployed, safety measures (helmet, rope, safety-belt etc.) adopted, discharge from equipments, hygiene norms, PUC requirement for vehicles hired, age of vehicles used etc. The adherence to the policy is audited by an internal team not directly involved with execution and action is taken on the deviations. Adherence to local laws for compensation of vendors' workmen is also strictly practiced at TCS.

Aggressive carbon footprint targets till 2017 have been mandated and stress is laid on sourcing of renewable sources of energy, primarily solar and wind in all major TCS campuses. TCS green buildings are yet another example of its focus on sustainability.

Vendors are asked to sign the Tata code of conduct for every contract awarded, in order to ensure ethical practices are followed throughout the entire supply chain. Additionally, vendors are empowered to raise ethical concern that they may come across while dealing with members of TCS management at any level.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Yes

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

While the criteria for selection of goods and services is quality, reliability and price, TCS gives preference to small organisations, particularly promoted by entrepreneurs from socially backward communities. This year, two vendors from the marginalised community were commissioned and empanelled with TCS under the CSR supplier diversity and Affirmative Action initiatives.

To enhance livelihood options in Panvel, India, TCS associates have trained 45 women in making eco-friendly jute bags through the 'Women Empowerment Programme'. Through TCS-Maitree,

a 1,500 sq ft convention center was built as a workstation and storage area for raw material & finished goods. Training on screen printing, block painting has also been provided and TCS procured 9 full shutter sewing machines, one embroidery machine, and a snap button machine for these women.

Through TCS' support this initiative has successfully completed an order of making 8000 cotton bags for TCS at the Bangalore 10K for the last 2 years and for the Standard Chartered Mumbai Marathon-2014.

5. Does the company have a mechanism to recycle products and waste? Yes

If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The nature of the Company's business is such that there are no significant emissions or process wastes. The waste generation is fairly limited and restricted primarily to e-waste, lube oil waste, waste from lead-acid batteries and municipal solid waste. The Company's waste management practices seek to reduce the environmental impact by reduction in generation, segregation at source, maximisation of recycling and reuse to achieve the target of <5% waste to landfill.

- Waste lube oil, UPS batteries, e-waste – disposed through government authorised recyclers (100% recycling)
- Waste office paper - sent for recycling (>75% recycling)
- Printer and toner cartridges - sent back to the manufacturer under product take-back arrangement (100% recycling)
- Bio-degradable garden waste and food waste – vermi-composting and bio-digestion respectively (>10% recycling)

Additional Information

Sr. no.	Environmental Performance Parameters	% Decrease over FY 2012-13	% Decrease over FY 2007-08
1.	Electricity Consumption (kWh/FTE/month)	10	39
2.	Freshwater consumption (ltrs/FTE/month)	2	15
3.	Carbon footprint due to Scope 1 + Scope 2 (tonnesCO ₂ e/FTE/annum)	1*	34*
4.	Paper consumption (Reams/1000FTE/month)	7	78

(*) The year-on-year reduction in specific carbon footprint is only 1% due to significant increase (by over 10%) in the national grid emission factor for India geography.

Principle 3

Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees:

Total number of employees including subsidiaries as on March 31, 2014 was 3,00,464.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

8,272 employees were hired on contractual basis.

3. Please indicate the number of permanent women employees:

Total number of permanent women employees as on March 31, 2014 was 98,122.

4. Please indicate the number of permanent employees with disabilities:

575 on the basis of self-declaration.

5. Do you have an employee association that is recognised by management? : Yes

6. What percentage of your permanent employees is members of this recognised employee association? : 0.05%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
Child labour/forced labour/ involuntary labour	None	None
Sexual harassment	14	1 Resolved in April 2014
Discriminatory employment	1	None

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

1. Safety

All the categories of employees mentioned above have been covered through the Company's training modules. Training on health and safety is imparted to associates as a part of the induction training combined with an annual refresher web based Health, Safety & Environment training. Effective modes of training have been informal floor-walks and town-hall meetings. Additionally,

regular fire drills, several awareness campaigns including road safety, fire safety, ergonomics, behaviour based safety, etc. are conducted to reach out to the associates. Innovative modes of training including video based learning modules and interactive web based training have been very effective and in FY14, over 3,60,000 man-hours of training on health, safety and environment has been imparted through the various training channels.

2. Employee skill up-gradation

	FY 2013-14
Permanent Employees	98.0%
Permanent Women Employees	98.2%
Employees with Disabilities	Included above

Additional Information

The Company has a number of policies and programmes focussed on employee wellbeing. These include holiday homes, pharmacy benefits, vacation for employees who are retiring, periodic health screening, safety for women associates and health insurance coverage including parents/in-laws.

The policy change management framework takes into consideration, feedback from all relevant stakeholders. The policies and programmes are implemented through various internal teams, with HR taking the ownership. There are several platforms within TCS which seek to empower employees. 'Employee Concerns' is an online tool where a grievance may be raised by an employee which is then addressed by stakeholders within predefined SLAs. Initiatives such as 'iConnect' and 'mPower' provide the opportunity to resolve issues of key importance and facilitate individual mentoring and coaching with senior managers.

TCS also offers an Employee Assistance Program (EAP) for India based associates, which includes professional counselling services in important life matters such as personal, relationship, work and parenting concerns that an employee voluntarily seeks.

Associates can communicate with the counsellors through a toll-free number, online correspondence as well as face to face meetings. There is also a 24x7 emergency number for immediate concerns.

Digitised platform 'Career Hub' enables employees to record their aspirations, helps the Company in identifying high potentials, mentors and tracks career movement of employees. The tool 'TCS Gems' is used for global reward and recognition. Fit4Life, health awareness sessions, periodic medical check-ups, gymnasiums in offices, and 24 x 7 'Employee Assistance Programme' are some of the important initiatives for employee health and safety.

TCS provides its employees huge opportunities for learning. Substantial investments in infrastructure and tools have been made to keep its workforce motivated and ready for the evolving technology.

Adherence to the Company's HR policies is audited by the internal auditor of the Company.

The HR compliance team continues to monitor the changes in legislation pertaining to employment, labour, and immigration laws across the globe to ensure compliance, which is checked through regular audits. The HR compliance team pro-actively prepares alerts to identify key areas where TCS needs to introduce new policies or modify the existing policies to remain compliant.

A number of non-work related employee engagement initiatives such as fun events, sports, cultural activities and volunteering for social causes are organised across the globe under our employee engagement platform known as 'TCS-Maitree'. The culture of volunteering helps employee bonding within the organisation and reduces stress at work. Employees are also encouraged to involve their families in these activities.

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

- Has the company mapped its internal and external stakeholders?** Yes
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?** Yes
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?** Yes
If so, provide details thereof, in about 50 words or so.

TCS has several programmes designed to benefit marginalised stakeholders such as (a) illiterate adults, (b) scheduled caste, scheduled tribes and other tribal communities, (c) rural unskilled youth, (d) visually impaired and (e) inmates in jail. Benefits reach the marginalised stakeholders through the following schemes:

Promoting Employability, Employment, Education and Entrepreneurship among marginalised groups

- Adult Literacy Programme (ALP)** - details given in Principle 8(1)(a)(i)
- Advanced Computer Training Center (ACTC) for the Visually Impaired** - details given in Principle 8(1)(a)(v)
- BPS Employability Programme** - details given in Principle 8(1)(c)(i)
- Computer Operator cum Programming Assistant (COPA) course** - details given in Principle 8(1)(c)(ii)
- BriDgeIT** - details given in Principle 8(1)(c)(iv)
- IT Employability Programme** - details given in Principle 8(1)(c)(v)
- Other Programmes** - details given in Principle 8(1)(c)(vi).

Principle 5

Businesses should respect and promote human rights

- 1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The policy is applicable to TCS, its subsidiaries and vendors. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'Tata Code of Conduct', adopted by the Company. All employees, including security personnel, are sensitised to human rights as part of their orientation programme.

With respect to vendors, TCS follows a rigorous screening process before entering into a business relationship. All the contracts that the Company enters into with vendors require the vendor to comply with the relevant laws safeguarding labour rights and human rights in their respective jurisdiction.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?** None

Principle 6

Business should respect, protect, and make efforts to restore the environment

- 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

TCS' Environmental Policy is applicable to all the business units and extends to business partners including suppliers, vendors and contractors.

- 2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. The 'Tata Group Climate Change Policy' and TCS' 'Environment Policy' guide the organisation to continually mitigate the impact on climate change and global warming as a result of its operations. The Company has specific targets to reduce its carbon footprint and monitors it on an ongoing basis. Detailed plan to achieve these targets focus on creating green infrastructure which are designed for better energy efficiency, drive green IT (IT enabled energy efficiency in data centers and distributed IT networks), efficient operations and green power purchase. The details of the targets, performance and the various initiatives are available at:

- a. Corporate Sustainability page on TCS website –**

http://www.tcs.com/about/corp_responsibility/Pages/default.aspx

b. TCS' Corporate Sustainability Report

http://www.tcs.com/about/corp_responsibility/cs-report/Pages/default.aspx

- 3. Does the company identify and assess potential environmental risks?**

Yes. ISO 14001:2004 has been adopted as the environment management system standard. As a part of this management system, an exhaustive impact assessment is conducted at the organisation level, as well as site level, to identify all environmental impacts from our operations.

- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Not Applicable

- 5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes. TCS is committed to drive energy efficiency. This is achieved through creating green building infrastructure, operating offices efficiently and driving green IT. Some key initiatives include – creating green office campuses designed at par with LEED Gold rating and driving data center energy efficiency through server virtualisation and optimisation of cooling. The details of these initiatives and more information are available on:

- a) Corporate Sustainability Report, page on TCS website**

http://www.tcs.com/about/corp_responsibility/Pages/default.aspx

- b) TCS' Corporate Sustainability Report**

http://www.tcs.com/about/corp_responsibility/cs-report/Pages/default.aspx

- 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. All emissions/waste generated at various offices of TCS are within permissible limits. These are continuously monitored, reviewed internally and reported to the CPCB/SPCB as per the requirement.

- 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause/legal notices were received from CPCB/SPCB in this financial year.

Additional Information

'Environmental Policy' of the Company has been drafted in line with the ISO 14001:2004 environment management system. The overall responsibility of environment management lies with the Company's CEO & MD and the progress is reviewed by health, safety and sustainability committee of the Board of Directors.

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External stakeholders can access this policy through the Company's website. For internal stakeholders, the policy has been posted on the intranet and at office receptions. Training on this policy is conducted periodically for all associates.

TCS has enterprise wide certification for integrated health safety & environment management system as per ISO 14001:2004 and OHSAS 18001:2007.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association?** : Yes
2. **If Yes, name only those major ones that your business deals with:**
 - a. National Association of Software and Services Companies (NASSCOM)
 - b. Confederation of Indian Industries (CII)
 - c. All India Management Association (AIMA)
 - d. Federation of India Chambers of Commerce and Industry (FICCI)

e. Federation of Indian Exporters Organisation (FIEO)

f. Computer Society of India (CSI)

3. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?:** Yes

- i. **If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

TCS has participated in industry body consultations in the following areas:

- a. Governance and Administration
- b. Sustainable Business Principles
- c. Inclusive Development Policies (with a focus on skill building and literacy)
- d. Economic Reforms
- e. Tax and other legislations

Additional Information

TCS uses the Tata Code of Conduct as a guide for its actions in influencing public and regulatory policy.

Principle 8

Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details there of:**

Yes, summary of initiative/projects undertaken is given below.

a. Education & Skill Building	b. Health	c. Affirmative Action
i. Adult Literacy Program	i. Hospital Management System for Cancer Research Institute, Chennai	i. BPS Employability Programme
ii. UDAAN	ii. Hospital Management System for Tata Medical Center, Kolkata	ii. Computer Operator cum Programming Assistant (COPA), Industrial Training Institute (ITI)
iii. Empower	iii. CSR Tech Team	iii. Bahun Hitay Hostel for Girls & Boys
iv. Academic Interface Programme		iv. BriDgeIT
v. Advanced Computer Training Center		v. IT Employability Programme
vi. TCS IT Wiz		vi. Other Affirmative Action Programmes
vii. Rural IT Quiz		
viii. TCS Maitree Village development Programme		
ix. InsightT		

Details of Projects Undertaken

a. Education & Skill Building

i. **Adult Literacy Programme (ALP): a computer based functional literacy programme**

TCS designed the Adult Literacy Programme by using its expertise in IT to conceptualise and develop the modules for achieving functional literacy. Today, the software is available in nine Indian languages and three foreign languages. Since its inception, the programme has reached out to 2,02,051 beneficiaries which include prison inmates in New Delhi and Lucknow. The ALP is available on www.tcsion.com/ALP



Women becoming functionally literate through TCS' Adult Literacy Programme

ii. **UDAAN: initiative for increasing employability of Kashmiri Youth**

TCS was the first organisation in India to sign an MOU with the National Skill Development Corporation (NSDC) to promote employability among youth from Jammu & Kashmir. Through a 14 week training programme designed by TCS, UDAAN seeks to improve skills relevant to the industry as well as increase employment opportunities available to them. The Company trained 179 candidates in FY 14 of which 139 were offered jobs in TCS. 15 women from Jammu & Kashmir and Ladakh, took part in UDAAN's first ever all women training batch. All 15 trainees were offered employment at TCS. At present, 50 male candidates are undergoing training at Kolkata.



UDAAN training in progress

iii. **Empower:** Through Empower, TCS aims at building capabilities of its support staff at various TCS offices. Modules for training include acquiring basic computer skills, communication through English, and other relevant soft skills. In FY 14, 431 beneficiaries received training under the Empower programme.



Enhancing communication skills of security personnel in New Delhi

iv. **Academic Interface Programme (AIP):**

The Company's commitment towards the development of faculty for academic institutes, improvement of employability of students and development of curricula as per industry requirements has been consistent. TCS helps 47 Boards of various institutes across the country in revamping their curriculum as per current industry trends. In addition, TCS has signed MoU with the Government of Gujarat, Assam, Tamil Nadu, Maharashtra and Jharkhand to serve as a partner in the establishment of Indian Institute of Information Technology in

Vadodara, Guwahati, Tiruchirappalli, Nagpur and Ranchi respectively. This is being done through PPP model in association with the Government of India and other industry partners.

In FY 14, 934 workshops were conducted under AIP reaching 1,43,687 students. In addition, 278 faculty development programmes were also conducted, which reached 9,438 faculties. Finally, through TCS' Research Scholarship Programme the Company is currently supporting 134 research scholars, who are pursuing their PhD in 31 institutes across India.

v. **Advanced Computer Training Center (ACTC):**

In an effort to promote employability among individuals with visual impairment, the Company has created a programme that offers IT-enabled vocational courses that are in sync with the industry requirements, personality development and training in corporate etiquette. This unique programme aims at bridging the gap between computer skills of persons who are visually impaired and those required by IT/ITES.

Till date, TCS has trained 136 visually impaired and facilitated employment for over 100 candidates across multiple companies.



Encouraging employability among the visually impaired

vi. **TCS IT Wiz**

TCS IT Wiz, the biggest inter school IT Quiz programme in India, started in 1999 as a part of the educational initiative to build awareness and hone IT skills for young students. The programme is the first and the largest powerful knowledge platform of this scale, on information technology for students

of class 8-12. In FY 14, nearly 8,00,000 students from over 4,000 schools across India and UAE participated in TCS IT Wiz.



Students enthusiastically participating in TCS IT Wiz

vii. **Rural IT Quiz**

TCS partnered with the Government of Karnataka to start India's first Rural IT Quiz programme in the year 2000. The Quiz aims at enhancing IT awareness among students from rural areas, promoting inclusive growth and building their confidence. The Rural IT Quiz currently reaches rural students in Madhya Pradesh, Gujarat, Maharashtra, Chattisgarh and Rajasthan. In FY 14 nearly 14.54 million students from over 8,000 schools participated in the Rural IT Quiz.

viii. **TCS Maitree Village Development Programme:**

TCS is working to deploy a sustainable model to improve education, healthcare & environment and promote economic empowerment in rural areas across India. To enhance their livelihood options in Panvel, India, TCS associates have trained 45 women in making eco-friendly jute bags through the 'Women Empowerment Programme'. In this village more than 570 children are benefitted through the provision of an infrastructure for clean drinking water as well as supplementary support in the learning of science and mathematics. More than 250 people both children and adults have benefitted from these initiatives in Panvel (Maharashtra), Nainar (Tamil Nadu), Padmapur (Odisha) and Challera (Uttar Pradesh).



TCS Maitree Women's Empowerment Programme

ix. **InsighT**

The programme is designed to meet the ISE, CBSE and State Board syllabus and uses a case study methodology with a practical approach. InsighT seeks to promote team building, leadership, communication, and presentation skills, along with technical skills. This year, InsighT was run in 30 schools reaching 1,433 students.



InsighT training in progress

b. **Health**

i. **Hospital Management System for Cancer Research Institute, Chennai**

An integrated Hospital Management System and IT infrastructure which includes a comprehensive and fully integrated, web-based solution has been provided free of cost to the Cancer Research Institute at Chennai.

FY 14 marked successful operational usage of all 17 modules of MedMantra. The institute was made paperless with integrated patient care across departments. Current patient clinical records were put online, over 500,000

clinical investigation results reported and over 140,000 consultations were performed.



Patients in Cancer Research Institute, Chennai

ii. **Hospital Management System for Tata Medical Center (TMC), Kolkata**

TCS also designed and implemented a comprehensive Hospital Management System for TMC, Kolkata. Running on a state of art IT infrastructure, TCS provided pro bono IT services valued at ₹ 4.2 crore in FY 14. TCS also funded and implemented a ₹ 2.7 crore Disaster Recovery and Business Continuity Solution. Currently, a Clinical Trial platform is also being developed.

iii. **Projects undertaken by the CSR Tech Team**

The CSR Tech team has been instrumental in leveraging core competencies for social organisations and their initiatives. TCS' CSR Tech Team uses information technology as a key enabler in analysing and highlighting areas of improvement and suggesting processes to increase efficiency for social organisations. This has assisted these social organisations to highlight the impact of their programmes which therefore translates into an enhancement of efficiency, credibility and accountability and encourages fact based analysis. In FY 14, the CSR Tech Team has focused on multiple health based initiatives for organisations including Retina India Foundation (Indian Retina Repository) and Operation Smile (Patient Management System). CSR Tech team has also prepared a Case Management System to assist Justice and Care in tracking cases of human trafficking and a tracking system for Childline India Foundation, India's largest child protection network.

c. Affirmative Action

i. BPS Employability Programme

Since 2010, TCS has dedicated itself towards addressing the issue of lack of exposure to contemporary skills within the country.

TCS launched a simple yet powerful employability training programme for marginalised youth across India. This Employability Training Programme comprises 80 to 100 hours of powerful interactive content designed to develop skills that increase their chances of finding employment.

The training provides an effective platform for the development of communication skills, corporate etiquette, interview skills, resume building and basic computer knowledge. Above all, the programme enables the trainees to become self-confident. Recruitment process for entry level jobs is conducted by TCS BPS post the training.

In FY 14, 12,117 beneficiaries underwent training in 15 Indian states. This year, candidates from minority communities constituted 53% of the total trainees. This year 632 beneficiaries successfully joined TCS of which, 155 were from minority communities.



Employability training in progress in Gujarat

ii. Computer Operator cum Programming Assistant (COPA), Industrial Training Institute (ITI)

TCS has developed a Faculty Development Programme for ITI Instructors. The objective of the programme is to enhance the capability of the faculty in ITIs so that the quality and course delivery is in line with the latest industry practices on the subjects. So far, in coordination with technology specialists, the Company has trained COPA faculty from ITIs located in Uttar Pradesh, Haryana, Gujarat, West Bengal, Maharashtra, Odisha, Karnataka and Tamil Nadu. 106 faculty across 8 states have been trained and certified by TCS.

iii. Bahujan Hitay Hostel for Girls & Boys

At the Bahujan Hitay Hostel in Pune, TCS has sponsored education of 40 children from socially and economically disadvantaged communities. Water filters, computers and a broadband connection have also been provided within the girls' hostel. A library has been set up for the boys' hostel.



Children from the hostel performing on its Annual Day

iv. BriDgeIT

BriDgeIT is a unique project to demonstrate the use of IT as a key enabler in school education, adult literacy and creation of entrepreneurs in Jhansi district (Bundelkhand region), Uttar Pradesh, covering 20 government schools in 12 villages with computer aided learning and digital literacy modules, currently benefiting 1,800 children and 500 adults. This is a joint venture with the National Confederation of Dalit Organisations (NACDOR) which provides field level support in identifying schools and young entrepreneurs.



Training of entrepreneurs through BridgeIT

v. IT Employability Programme:

Encouraged by the success of the BPS Employability Programme, in FY 14, TCS has

embarked on a new initiative to promote employability. Students in the 5th semester of four engineering colleges in Andhra Pradesh, Karnataka, Madhya Pradesh and Maharashtra, have received training through a specially designed 200 hour module to promote employability in the IT sector.



IT Employability Training launched in Anantapur, Andhra Pradesh

vi. Other Affirmative Action Programmes:

TCS has been supporting students through Foundation for Academic Excellence and Access (FAEA) for the past 4 years. This year, TCS contributed ₹ 3,50,000 towards 5 scholarships to help SC/ST students studying in professional courses in leading colleges in the country.

TCS has built a systematic engagement with Vidya & Child, Gurgaon. Associates regularly engage with children by participating in teaching and other fun activities. TCS sponsors half the tuition fee of seven children in Class XI. The financial support is in addition to the regular inputs in Mathematics, English and soft skills, led by the volunteering teams at these locations.



Learning through play at Vidya & Child

d. IT focused global initiatives –“Education to Careers”

Under the STEM “Education to Careers” banner in North America, TCS is working to create a robust framework to promote interest and careers in Science, Technology, Engineering and Mathematics

(STEM). The goIT Student Technology programme aims to increase students’ interest in IT by providing in-school IT career and awareness workshops, and hands-on technology education to high school students free of cost. Since its inception in 2009, goIT has evolved from a two-school camp to a year-long programme and has impacted over 7,000 students across 40 schools. Two schools have expanded their technology education courses and four schools have been assisted with curriculum reviews. In addition, national level partnerships have been forged with leading organisations such as US 2020, Million Women Mentors and NPower. 275 students from underrepresented minorities have been served through US 2020 and Citizen Schools. 160 disadvantaged youth and 50 veterans have been trained through NPower and placed in internships and jobs.



goIT: Promoting interest in Science, Technology, Engineering and Math

In an expansion of its efforts to promote interest in IT and technology, ‘goIT’ was launched in Australia and China this year. ‘goIT’ is a one week structured and intensive work placement initiative designed to encourage girls to consider IT as a career. TCS employees interact with the trainees sharing their personal experiences, providing insight into their current roles and thereby increasing the students’ enthusiasm towards IT.

In South Africa, two innovative IT learning centers were created for the education of children as well as adults. In partnership with Change the World, TCS appointed a trainer to train teachers and students in order to make the most efficient and effective use of the IT center.

This year, the ‘IT Futures programme’ was launched in UK & Ireland. The programme seeks to engage students at critical stages in education, while strengthening the ability of educators to deliver

effective training and relevant skills. As part of this programme, TCS is proud to be a founding donor of the Queen Elizabeth Prize for Engineering.



IT Futures Programme for UK launched in FY 14

e. Volunteering through TCS Maitree

TCS Maitree was started with the purpose of creating a spirit of camaraderie among TCS associates and their families. This network encourages associates and their families to look upon themselves as a part of TCS' extended family. The scope of TCS Maitree now also includes socially relevant initiatives. The initiatives undertaken promote volunteering in meaningful activities such as working with the differently-abled and under-privileged children in schools near TCS' offices.



Together, Sharing and Caring- TCS Maitree

2. Are the programmes/projects undertaken through in-house team? Yes, through in-house team

3. Have you done any impact assessment of your initiative?

Metrics for impact assessment are being piloted. Currently, the Company monitors the reach and outcome of its CSR initiatives through monthly reports and assessments conducted by CSR regional and geographic leads.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

For the financial year 2013-14: ₹ 93.58 crores

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? : Yes.

Please explain in 50 words, or so.

Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, monthly reports and follow-up field visits, telephonic and email communications are regularly carried out. The Company has engaged highly trained employees to drive and monitor the CSR activities.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

Total number of customer complaints received during the financial year	282
Percentage of customer complaints open as on March 31, 2014	14.18%

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

TCS is a software solution provider hence, this question is not applicable.

Remarks (additional information) – None

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

As on date, there are no anti-competitive, abuse of dominant position or unfair trade practices cases pending against the Company

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Customer satisfaction surveys are carried out on a half yearly basis. The survey is done at an account-level and measures TCS' performance on various parameters across multiple dimensions.

MANAGEMENT DISCUSSION AND ANALYSIS
INTEGRITY EXCELLENCE **COMMITMENT** SCOPE FOCUS ON MERITOCRACY
UNCONSOLIDATED **CONSOLIDATED** BUSINESS
FINANCIAL STATEMENTS **FINANCIAL** RESPONSIBILITY
AGILITY FOCUS **STATEMENTS** FOCUS ASPIRE SECURITY
INNOVATION **DNA** CONFIDENCE
CORPORATE GOVERNANCE REPORT LEAD
HONESTY BUSINESS CHANGE
INCLUSIVE RESPONSIBILITY REPORT

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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**TO THE BOARD OF DIRECTORS OF
TATA CONSULTANCY SERVICES LIMITED**

We have audited the accompanying consolidated financial statements of **TATA CONSULTANCY SERVICES LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 8577.46 crores as at March 31, 2014, total revenues of ₹ 11195.07 crores and net cash outflows amounting to ₹ 256.31 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm Registration No. 117366W/W-100018)

P. R. Ramesh

Partner

(Membership No.70928)

Mumbai, April 16, 2014

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2013-14

Consolidated Balance Sheet as at March 31, 2014

(₹ crores)

	Note	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	195.87	295.72
(b) Reserves and surplus	4	48998.89	38350.01
		49194.76	38645.73
Minority interest			
		707.99	695.31
Non-current liabilities			
(a) Long-term borrowings	5	127.26	130.98
(b) Deferred tax liabilities (net)	6 (a)	308.80	235.48
(c) Other long-term liabilities	7	743.07	446.74
(d) Long-term provisions	8	385.59	348.92
		1564.72	1162.12
Current liabilities			
(a) Short-term borrowings	9	127.09	80.02
(b) Trade payables		5536.02	4269.71
(c) Other current liabilities	10	3621.24	3081.52
(d) Short-term provisions	11	6385.96	4233.46
		15670.31	11664.71
TOTAL		67137.78	52167.87
II. ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		7034.81	5991.71
(ii) Intangible assets		240.74	254.80
(iii) Capital work-in-progress		3168.48	1895.36
		10444.03	8141.87
(b) Non-current investments	13	2275.27	968.30
(c) Deferred tax assets (net)	6 (b)	420.06	310.22
(d) Long-term loans and advances	14	7286.62	5312.88
(e) Other non-current assets	15	1545.33	2454.64
(f) Goodwill (on consolidation)		2268.78	3581.50
		24240.09	20769.41
Current assets			
(a) Current investments	16	1158.47	929.04
(b) Inventories	17	15.21	21.15
(c) Unbilled revenue	18	4005.61	3141.03
(d) Trade receivables	19	18230.40	14095.58
(e) Cash and bank balances	20	14441.84	6769.16
(f) Short-term loans and advances	21	4310.80	5643.26
(g) Other current assets	22	735.36	799.24
		42897.69	31398.46
TOTAL		67137.78	52167.87
III. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS			
	1-46		

As per our report attached

For and on behalf of the Board

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Cyrus Mistry
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

Aman Mehta
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
Director

P. R. Ramesh
Partner

Dr. Ron Sommer
Director

Dr. Vijay Kelkar
Director

Phiroz Vandrevalla
Director

Ishaat Hussain
Director

O. P. Bhatt
Director

Rajesh Gopinathan
Chief Financial Officer

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 16, 2014

Mumbai, April 16, 2014

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

(₹ crores)

	Note	2014	2013
I. Revenue from operations (Net of excise duty of ₹ 3.15 crores (Previous year ₹ 0.82 crores))	23	81809.36	62989.48
II. Other income (net)	24	1636.74	1178.23
TOTAL REVENUE		83446.10	64167.71
III. Expenses:			
(a) Employee benefit expenses	25	29860.01	24039.96
(b) Operation and other expenses	26	26796.56	20909.61
(c) Finance costs	27	38.52	48.49
(d) Depreciation and amortisation expense	12	1349.15	1079.92
TOTAL EXPENSES		58044.24	46077.98
IV. PROFIT BEFORE TAX		25401.86	18089.73
V. Tax expense:			
(a) Current tax	28	6148.26	4369.30
(b) Deferred tax		(27.14)	12.99
(c) Fringe benefit tax		0.13	0.33
(d) MAT credit entitlement	28	(51.26)	(368.58)
		6069.99	4014.04
VI. PROFIT FOR THE YEAR BEFORE MINORITY INTEREST		19331.87	14075.69
VII. Minority interest		168.00	158.38
VIII. PROFIT FOR THE YEAR		19163.87	13917.31
IX. Earnings per equity share :- Basic and diluted (₹)	39	97.67	70.99
Weighted average number of equity shares (face value of ₹ 1 each)		1,95,87,27,979	1,95,72,20,996
X. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-46		

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Mumbai, April 16, 2014

For and on behalf of the Board

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

Ishaat Hussain
Director

Suprakash Mukhopadhyay
Company Secretary

S. Ramadorai
Vice Chairman

V. Thyagarajan
Director

Dr. Vijay Kelkar
Director

O. P. Bhatt
Director

N. Chandrasekaran
CEO and Managing Director

Prof. Clayton M. Christensen
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 16, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

(₹ crores)

	Note	2014	2013
I CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		25401.86	18089.73
Adjustments for:			
Depreciation and amortisation expense		1349.15	1079.92
Bad debts (recovered)/written off (net)		(5.71)	42.53
Provision of doubtful receivables (net)		90.96	6.24
Provision for doubtful advances (net)		10.17	4.29
Advances (recovered)/written off (net)		(0.12)	2.82
Diminution in value of investments (net)		-	(0.22)
Interest expense		38.52	48.49
Profit on sale of fixed assets (net)		(4.55)	(0.23)
Unrealised exchange (gain)/loss (net)		(68.45)	0.63
Exchange difference on translation of foreign currency cash and cash equivalents		(43.66)	16.68
Dividend income		(9.25)	(6.47)
Interest income		(1,340.00)	(1039.74)
Profit on redemption of mutual funds and sale of other current investments (net)		(173.09)	(41.36)
Operating profit before working capital changes		25245.83	18203.31
Inventories		5.94	(3.38)
Unbilled revenue		(811.60)	(893.19)
Trade receivables		(4015.80)	(2,622.70)
Loans and advances and other assets		(296.00)	(557.35)
Trade payables, other liabilities and provisions		1666.67	2310.08
Cash generated from operations		21795.04	16436.77
Taxes paid		(7043.63)	(4821.81)
Net cash provided by operating activities		14751.41	11614.96
II CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(3126.15)	(2637.84)
Proceeds from sale of fixed assets		13.83	5.26
Acquisition of subsidiaries net of cash of ₹ 53.80 crores (March 31, 2013: ₹ 1.30 crores)		(452.41)	(162.62)
Purchase of mutual funds and other investments		(82613.36)	(28738.50)
Redemption of mutual funds and sale of other investments		81326.64	28218.41
Inter-corporate deposits placed		(2665.00)	(3599.12)
Inter-corporate deposits matured		3539.77	847.75
Fixed deposit placed with banks having original maturity over three months		(12774.14)	(4721.00)
Fixed deposit with banks matured having original maturity over three months		5706.77	3896.73
Dividends received		9.25	6.47
Interest received		1367.72	798.80
Net cash used in investing activities		(9667.08)	(6085.66)

Consolidated Cash Flow Statement for the year ended March 31, 2014 (Contd.)

(₹ crores)

	Note	2014	2013
III CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of long-term borrowings		-	2.12
Repayment of long-term borrowings		(1.24)	(3.38)
Short-term borrowings (net)		8.44	79.84
Proceeds from other borrowings		117.67	-
Repayment of other borrowings		(140.02)	-
Dividend paid, including dividend tax		(5480.07)	(5703.16)
Dividend paid to minority shareholders of subsidiaries and dividend tax on dividend paid by subsidiaries		(39.96)	(33.95)
Redemption of Preference Shares		(100.00)	-
Repayment of inter-corporate deposits		-	(23.00)
Interest paid		(38.06)	(47.95)
Net cash used in financing activities		(5673.24)	(5729.48)
Net decrease in cash and cash equivalents		(588.91)	(200.18)
Cash and cash equivalents at the beginning of the year		1841.36	1993.49
Exchange difference on translation of foreign currency cash and cash equivalents		215.41	48.05
Cash and cash equivalents at the end of the year	20	1467.86	1841.36
Earmarked balances with banks		25.59	16.34
Short-term bank deposits		12948.39	4911.46
Cash and Bank balances at the end of the year	20	14441.84	6769.16
Supplementary disclosure of cash flow non-cash investing activities:			
Increase in payables and finance lease obligation in respect of purchase of fixed assets		284.74	133.94
IV NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-46		

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

Ishaat Hussain
Director

Suprakash Mukhopadhyay
Company Secretary

For and on behalf of the Board

S. Ramadorai
Vice Chairman

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Director

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N. Chandrasekaran
CEO and Managing Director

Prof. Clayton M. Christensen
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 16, 2014

Mumbai, April 16, 2014

Notes forming part of the Consolidated Financial Statements

1) CORPORATE INFORMATION

Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") provide consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. The Group's full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Cloud Services, Connected Marketing Solutions, Consulting, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON -Small and Medium Businesses, IT Infrastructure Services, Mobility Products and Services and Platform Solutions.

As at March 31, 2014, Tata Sons Limited owned 73.69 % of the Company's equity share capital and has the ability to control its operating and financial policies. The Company's registered office is in Mumbai and it has 64 subsidiaries across the globe.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) (which continues to be applicable in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 1956.

b) Principles of consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- ii) The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit / loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- iii) The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements.
- iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.
- v) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

c) Use of estimates

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known/materialise.

d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation/amortisation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets exclude computers and other assets individually costing ₹ 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

Notes forming part of the Consolidated Financial Statements

e) Depreciation/Amortisation

Depreciation/amortisation on fixed assets other than on freehold land and capital work-in-progress is charged so as to write-off the cost of the assets, on the following basis:

Type of asset	Method	Rate / Period
Leasehold land and buildings	Straight line	Lease period
Freehold buildings	Written down value	5.00%
	Straight line	1.63% - 2.50%
Factory buildings	Straight line	10.00%
Leasehold improvements	Straight line	Lease period
Plant and machinery	Straight line	33.33%
Computer equipment	Straight line	10% - 50%
Vehicles	Written down value	25.89%
	Straight line	9.50% - 33.33%
Office equipment	Written down value	13.91%
	Straight line	4.75% - 33.33%
Electrical installations	Written down value	13.91%
	Straight line	6.63% - 33.33%
Furniture and fixtures	Straight line	6.63% - 100%
Goodwill	Straight line	12 years
Acquired contract rights	Straight line	12 years
Intellectual property / distribution rights	Straight line	24 - 60 months
Software licenses	Straight line	License period
	Straight line	20% - 50%
Rights under licensing agreement	Straight line	License period

Fixed assets purchased for specific projects are depreciated over the period of the project.

f) Leases

Where the Group, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognised in the statement of profit and loss on a straight-line basis.

g) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

h) Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long term investments, are stated at the lower of cost and fair value.

Notes forming part of the Consolidated Financial Statements

i) Employee benefits

i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as expense when employees have rendered services entitling them to such benefits.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

j) Revenue recognition

Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue from the sale of equipments are recognised upon delivery, which is when the title passes to the customer.

Revenue from sale of software licenses are recognised upon delivery.

Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

In respect of Business Process Outsourcing (BPO) services, revenue on time and material and unit priced contracts is recognised as the related services are rendered, whereas revenue from fixed price contracts is recognised using the proportionate completion method with contract cost determining the degree of completion.

Revenue is reported net of discounts.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

k) Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company and its Indian subsidiaries will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis.

The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

Notes forming part of the Consolidated Financial Statements

l) Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on foreign currency forward, option and futures contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward, currency option and future contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the statement of profit and loss.

For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under foreign currency translation reserve.

m) Derivative instruments and hedge accounting

The Group uses foreign currency forward, option and futures contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges.

The use of hedging instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the statement of profit and loss. The Group separates the intrinsic value and time value of an option and designates as hedging instruments, only the fair value change in the intrinsic value of the option. The change in fair value of the time value of option, which was previously recognised immediately in statement of profit and loss, is now accumulated in hedging reserve, a component of shareholders' funds and is classified to statement of profit and loss when the forecast transaction occurs. This change in accounting for time value of an option has resulted in a reduction in profit before tax of ₹ 4.76 crores for the year ended March 31, 2014.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is classified to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss for the period.

n) Inventories

Raw materials, sub-assemblies and components are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the lower of cost and net realisable value. Stores and spare parts are carried at the lower of cost and net realisable value. Finished goods produced or purchased by the Group are carried at the lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

o) Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic and rational basis.

p) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

q) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Notes forming part of the Consolidated Financial Statements

3) SHARE CAPITAL

The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares and redeemable preference shares having a par value of ₹ 1 each as follows:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
Authorised		
(i) 420,05,00,000 equity shares of ₹ 1 each (March 31, 2013 : 225,00,00,000 equity shares of ₹ 1 each)	420.05	225.00
(ii) 105,02,50,000 redeemable preference shares of ₹ 1 each (March 31, 2013 : 100,00,00,000 redeemable preference shares of ₹ 1 each)	105.03	100.00
	525.08	325.00
Issued, Subscribed and Fully Paid-up		
(i) 195,87,27,979 equity shares of ₹ 1 each (March 31, 2013 : 195,72,20,996 equity shares of ₹ 1 each)	195.87	195.72
(ii) Nil redeemable preference shares of ₹ 1 each (March 31, 2013 : 100,00,00,000 redeemable preference shares of ₹ 1 each)	-	100.00
	195.87	295.72

The authorised share capital was increased to 420,05,00,000 equity shares of ₹ 1 each and 105,02,50,000 redeemable preference shares of ₹ 1 each pursuant to the amalgamation of two wholly-owned subsidiaries, Retail FullServe Limited and Computational Research Laboratories Limited vide Order dated March 22, 2013 and TCS e-Serve Limited vide order dated September 6, 2013 of the Hon'ble High Court of Judicature at Bombay.

100,00,00,000 Redeemable Preference Shares of ₹ 1 each, held by Tata Sons Limited were redeemed on March 28, 2014. Consequently, an amount of ₹ 100 crores has been transferred from the surplus in statement of profit and loss to Capital redemption reserve on that date. The fixed cumulative dividend of 1 % per annum and the variable non cumulative dividend on the shares so redeemed will be paid consequent to the shareholder's approval in a general meeting.

a) Reconciliation of number of shares

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount (₹ crores)	Number of shares	Amount (₹ crores)
Equity shares				
Opening balance	195,72,20,996	195.72	195,72,20,996	195.72
Issued during the year	15,06,983	0.15	-	-
Closing balance	195,87,27,979	195.87	195,72,20,996	195.72
Preference shares				
Opening balance	100,00,00,000	100.00	100,00,00,000	100.00
Redeemed during the year	(100,00,00,000)	(100.00)	-	-
Closing balance	-	-	100,00,00,000	100.00

b) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Preference shares

Preference shares carried a fixed cumulative dividend of 1% per annum and a variable non-cumulative dividend of 1% of the difference between the rate of dividend declared during the year on the equity shares of the Company and the average rate of dividend declared on the equity shares of the Company for three years preceding the year of issue of the redeemable preference shares.

Notes forming part of the Consolidated Financial Statements

c) Shares held by holding company and its subsidiaries and associates

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
Equity shares		
Holding Company		
144,34,51,698 equity shares (March 31, 2013 : 144,34,51,698 equity shares) are held by Tata Sons Limited	144.35	144.35
Subsidiaries and associates of Holding Company		
10,29,700 equity shares (March 31, 2013 : 10,29,700 equity shares) are held by Tata Industries Limited	0.10	0.10
5,90,452 equity shares (March 31, 2013 : 5,90,452 equity shares) are held by Tata Investment Corporation Limited	0.06	0.06
200 equity shares (March 31, 2013 : 200 equity shares) are held by Tata Capital Limited	-	-
83,232 equity shares (March 31, 2013 : 83,232 equity shares) are held by Tata International Limited	0.01	0.01
452 equity shares (March 31, 2013 : 452 equity shares) are held by The Tata Power Company Limited	-	-
Total	144.52	144.52
Preference shares		
Holding Company		
Nil redeemable preference shares (March 31, 2013 : 100,00,00,000 redeemable preference shares) are held by Tata Sons Limited	-	100.00
Total	-	100.00

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2014	As at March 31, 2013
Equity shares		
Tata Sons Limited, the Holding Company	144,34,51,698	144,34,51,698
	73.69%	73.75%
Preference shares		
Tata Sons Limited, the Holding Company	-	100,00,00,000
	-	100.00%

e) Equity shares allotted as fully paid up (during 5 years preceding March 31, 2014) includes equity shares issued:

(i) Pursuant to contract without payment being received in cash

15,06,983 equity shares of ₹ 1 each have been issued to the shareholders of TCS e-Serve Limited in terms of the composite scheme of arrangement (the "Scheme") sanctioned by the High Court of Judicature at Bombay vide their order dated September 6, 2013.

(ii) Bonus shares

The Company allotted 97,86,10,498 equity shares as fully paid-up bonus shares by utilisation of Securities premium reserve on June 18, 2009 pursuant to shareholder's resolution passed by postal ballot on June 12, 2009.

Notes forming part of the Consolidated Financial Statements

4) RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Capital reserve (on consolidation)	24.50	24.50
(b) Capital redemption reserve		
(i) Opening balance	0.40	0.40
(ii) Transferred from surplus in statement of profit and loss	157.12	-
	157.52	0.40
(c) Securities premium reserve		
(i) Opening Balance	1918.47	1918.47
(ii) Transferred on amalgamation (Refer note 32)	0.40	-
	1918.87	1918.47
(d) Foreign currency translation reserve		
(i) Opening balance	972.11	779.42
(ii) Additions during the year (net)	575.67	192.69
	1547.78	972.11
(e) Hedging reserve (Refer note 42)		
(i) Opening balance	46.11	(133.09)
(ii) (Deductions)/additions during the year (net)	(16.47)	179.20
	29.64	46.11
(f) General reserve		
(i) Opening balance	5841.80	4533.27
(ii) Adjustments on amalgamation (Refer note 32)	(1982.82)	(44.26)
(iii) Transferred from surplus in statement of profit and loss	1883.41	1352.79
	5742.39	5841.80
(g) Statutory reserve		
(i) Opening balance	16.65	-
(ii) Transferred from surplus in statement of profit and loss	57.03	16.65
	73.68	16.65
(h) Surplus in statement of profit and loss		
(i) Opening balance	29529.97	22160.54
(ii) Add : Profit for the year	19163.87	13917.31
(iii) Transferred on amalgamation	-	(126.22)
	48693.84	35951.63
(iv) Less : Appropriations		
(a) Interim dividends on equity shares	2349.87	1761.49
(b) Proposed final dividend on equity shares	3917.46	2544.39
(c) Dividend on redeemable preference shares	28.76	19.00
(d) Tax on dividend	795.68	727.34
(e) Capital Redemption Reserve	157.12	-
(f) General reserve	1883.41	1352.79
(g) Statutory reserve	57.03	16.65
	39504.51	29529.97
	48998.89	38350.01

The Board of Directors at its meeting held on April 16, 2014 has recommended a final dividend of ₹ 20 per equity share.

Notes forming part of the Consolidated Financial Statements

5) LONG-TERM BORROWINGS

Long-term borrowings consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Secured loans		
Long-term maturities of obligations under finance lease (Refer note 37(b))	126.21	129.46
(b) Unsecured loans		
Other borrowings (from entities other than banks)	1.05	1.52
	<u>127.26</u>	<u>130.98</u>

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

6) DEFERRED TAX BALANCES

Major components of deferred tax balances consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Deferred tax liabilities (net)		
(i) Foreign branch profit tax	217.88	160.27
(ii) Depreciation and amortisation	16.40	8.96
(iii) Employee benefits	(0.95)	(0.77)
(iv) Provision for doubtful receivables, loans and advances	(0.11)	(0.05)
(v) Others	75.58	67.07
	<u>308.80</u>	<u>235.48</u>
(b) Deferred tax assets (net)		
(i) Depreciation and amortisation	(57.98)	(58.69)
(ii) Employee benefits	211.20	174.11
(iii) Operating lease liabilities	72.19	63.90
(iv) Provision for doubtful receivables, loans and advances	112.70	76.13
(v) Others	81.95	54.77
	<u>420.06</u>	<u>310.22</u>

7) OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Capital creditors	92.27	54.34
(b) Operating lease liabilities	292.71	250.01
(c) Other liabilities	358.09	142.39
	<u>743.07</u>	<u>446.74</u>

8) LONG-TERM PROVISIONS

Long-term provisions consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits (Refer Note 33)		
Gratuity	158.78	261.53
Foreign defined benefit plans	74.17	46.66
Other post retirement benefits	41.96	40.73
(b) Provision for other payables	110.68	-
	<u>385.59</u>	<u>348.92</u>

Notes forming part of the Consolidated Financial Statements

9) SHORT-TERM BORROWINGS

Short-term borrowings consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Secured loans		
Loans repayable on demand from banks	-	80.02
From other parties	33.58	-
(b) Unsecured loans		
Loans repayable on demand from banks	93.51	-
	127.09	80.02

Secured loans from banks and other parties are secured against trade receivables.

10) OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Current maturities of long-term debt	0.47	1.24
(b) Current maturities of obligations under finance lease (Refer note 37(b))	42.05	20.03
(c) Interest accrued but not due on borrowings	1.27	0.69
(d) Income received in advance	1050.73	966.26
(e) Unpaid dividends	13.82	11.37
(f) Advance received from customers	62.81	98.00
(g) Operating lease liabilities	37.09	28.12
(h) Other payables	2413.00	1955.81
	3621.24	3081.52
Other payables include :		
Fair values of foreign currency forward and option contracts secured against trade receivables	22.95	72.10
Statutory liabilities	1179.52	866.97
Capital creditors	487.53	249.87
Class action suit settlement consideration	-	161.63

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

11) SHORT-TERM PROVISIONS

Short-term provisions consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits	1046.90	804.22
(b) Others		
(i) Proposed final dividend on equity shares	3917.46	2544.39
(ii) Proposed dividend on redeemable preference shares	28.76	19.00
(iii) Tax on dividend	683.13	455.65
(iv) Current income taxes (net)	672.10	410.20
(v) Provision for other payables	37.61	-
	6385.96	4233.46

Provision for employee benefits includes provision for compensated absences and other short-term employee benefits.

Notes forming part of the Consolidated Financial Statements

12) FIXED ASSETS

(i) Tangible assets

Description	(₹ crores)												
	Freehold land	Leasehold land	Freehold buildings	Factory buildings	Leasehold buildings	Leasehold Improvements	Plant and machinery	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Gross block as at April 1, 2013	343.59	201.07	2889.61	2.77	14.59	1052.17	10.67	3547.79	26.79	1248.20	900.06	759.03	10996.34
Additions	331.48	99.70	2166.04	2.77	16.10	940.22	10.65	2903.50	26.19	1049.24	721.53	576.53	8843.95
Deletions / Adjustments	0.64	15.51	612.44	-	0.03	273.53	-	681.54	3.31	265.53	166.17	255.54	2274.24
Translation exchange difference	11.07	103.62	720.53	-	-	132.59	0.02	716.55	5.15	219.28	185.12	161.90	2255.83
	-	-	(0.08)	-	-	(51.12)	(0.38)	(112.62)	(2.39)	(8.46)	(13.88)	(8.29)	(197.22)
	-	(2.25)	(0.32)	-	(1.57)	(13.92)	-	(80.20)	(4.43)	(24.43)	(15.23)	2.41	(139.94)
	1.90	-	6.05	-	-	15.31	-	49.58	0.09	7.84	(2.00)	10.27	89.04
	1.04	-	3.36	-	0.06	(6.72)	-	7.94	(0.12)	4.11	8.64	18.19	36.50
Gross block as at March 31, 2014	346.13	216.58	3508.02	2.77	14.62	1289.89	10.29	4166.29	27.80	1513.11	1050.35	1016.55	13162.40
Accumulated depreciation as at April 1, 2013	343.59	201.07	2889.61	2.77	14.59	1052.17	10.67	3547.79	26.79	1248.20	900.06	759.03	10996.34
Depreciation for the year	-	(13.30)	(469.53)	(1.23)	(11.44)	(544.99)	(10.60)	(2411.87)	(16.36)	(545.32)	(407.83)	(572.16)	(5004.63)
	-	(13.29)	(368.85)	(1.03)	(10.89)	(443.66)	(10.55)	(1937.63)	(16.61)	(440.56)	(330.42)	(449.73)	(4023.22)
Deletions / Adjustments	-	(2.98)	(132.20)	(0.20)	(1.21)	(131.97)	(0.05)	(566.28)	(3.16)	(136.52)	(96.81)	(212.60)	(1283.98)
Translation exchange difference	-	(2.25)	(100.44)	(0.20)	(1.68)	(112.16)	(0.05)	(473.73)	(3.31)	(120.25)	(85.84)	(116.35)	(1016.26)
	-	-	0.05	-	0.02	50.10	0.38	108.19	1.83	12.72	17.89	7.45	198.63
	-	2.24	0.11	-	1.18	9.55	-	3.41	3.59	16.81	15.03	1.69	53.61
	-	-	(0.77)	-	-	(7.45)	-	(24.96)	(0.09)	(3.19)	2.61	(3.76)	(37.61)
	-	-	(0.35)	-	(0.05)	1.28	-	(3.92)	(0.03)	(1.32)	(6.60)	(7.77)	(18.76)
Accumulated depreciation as at March 31, 2014	-	(16.28)	(602.45)	(1.43)	(12.63)	(634.31)	(10.27)	(2894.92)	(17.78)	(672.31)	(484.14)	(781.07)	(6127.59)
	-	(13.30)	(469.53)	(1.23)	(11.44)	(544.99)	(10.60)	(2411.87)	(16.36)	(545.32)	(407.83)	(572.16)	(5004.63)
Net book value as at March 31, 2014	346.13	200.30	2905.57	1.34	1.99	655.58	0.02	1271.37	10.02	840.80	566.21	235.48	7034.81
	343.59	187.77	2420.08	1.54	3.15	507.18	0.07	1135.92	10.43	702.88	492.23	186.87	5991.71

Notes forming part of the Consolidated Financial Statements

12) FIXED ASSETS (Contd.)

(ii) Intangible assets

(₹ crores)

Description	Goodwill on acquisition	Acquired contract rights	Intellectual property / distribution rights	Software licenses	Rights under licensing agreement	Total
Gross block as at April 1, 2013	270.10	208.12	12.93	72.29	63.21	626.65
	267.27	205.94	12.93	58.74	59.00	603.88
Additions	-	-	0.58	6.23	3.02	9.83
	-	-	-	14.89	4.14	19.03
Deletions / Adjustments	-	-	-	(61.50)	58.28	(3.22)
	-	-	-	(1.07)	0.07	(1.00)
Translation exchange difference	57.54	44.34	-	(0.13)	-	101.75
	2.83	2.18	-	(0.27)	-	4.74
Gross block as at March 31, 2014	327.64	252.46	13.51	16.89	124.51	735.01
	270.10	208.12	12.93	72.29	63.21	626.65
Accumulated amortisation as at April 1, 2013	(158.01)	(121.78)	(11.82)	(61.02)	(19.22)	(371.85)
	(134.08)	(103.34)	(11.44)	(48.42)	(8.73)	(306.01)
Amortisation for the year	(26.51)	(20.43)	(0.61)	(2.98)	(14.64)	(65.17)
	(23.50)	(18.11)	(0.38)	(14.60)	(7.07)	(63.66)
Deletions / Adjustments	-	-	-	52.75	(49.33)	3.42
	-	-	-	1.44	(3.42)	(1.98)
Translation exchange difference	(34.45)	(26.55)	-	0.33	-	(60.67)
	(0.43)	(0.33)	-	0.56	-	(0.20)
Accumulated amortisation as at March 31, 2014	(218.97)	(168.76)	(12.43)	(10.92)	(83.19)	(494.27)
	(158.01)	(121.78)	(11.82)	(61.02)	(19.22)	(371.85)
Net book value as at March 31, 2014	108.67	83.70	1.08	5.97	41.32	240.74
	112.09	86.34	1.11	11.27	43.99	254.80

(iii) Capital work-in-progress

(₹ crores)

Description	Total
Capital work-in-progress	3168.48
	1895.36

Previous year's figures are in italics.

Notes

- Deletions/adjustments include ₹ 10.89 crores arising on realignment of depreciation policies of TCS e-Serve Limited and TCS e-Serve International Limited's SEZ undertaking consequent to the amalgamation with the Company, primarily comprising adjustment to office equipment for ₹ 6.46 crore and electrical installations for ₹ 6.22 crores.
- Additions include ₹ 10.94 crores being value of fixed assets acquired on acquisition of Altis S.A.
- Freehold buildings include ₹ 2.67 crores (March 31, 2013: ₹ 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- Net book value of computer equipment of ₹ 86.01 crores (March 31, 2013: ₹ 64.53 crores) and lease hold improvements of ₹ 67.13 crores (March 31, 2013: ₹ 77.60 crores) are under finance lease.
- Legal formalities relating to conveyance of freehold building having net book value ₹ 9.81 crores (March 31, 2013: ₹ 10.73 crores) are pending completion.

Notes forming part of the Consolidated Financial Statements

13) NON-CURRENT INVESTMENTS

Non-current investments consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) TRADE INVESTMENTS (at cost)		
Fully paid equity shares (unquoted)		
National Power Exchange Limited	1.40	1.40
Philippine Dealing System Holdings Corporation	5.41	4.89
Taj Air Limited	19.00	19.00
Yodlee, Inc.	-	-
ALMC HF*	-	-
KOOH Sports Private Limited	3.00	3.00
RuralShores Business Services Private Limited*	-	-
Fully paid preference shares (unquoted)		
RuralShores Business Services Private Limited	25.00	-
(b) OTHER INVESTMENTS		
Debentures and bonds (unquoted)	2190.22	910.22
Government securities (unquoted)	25.00	24.65
Mutual funds and other funds (unquoted)	6.36	5.26
	2275.39	968.42
Less: Provision for diminution in value of investments	(0.12)	(0.12)
	2275.27	968.30

* Non-current investments having a value of less than ₹ 50,000.

14) LONG-TERM LOANS AND ADVANCES

Long-term loans and advances consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Secured, considered good		
Loans and advances to employees	0.22	0.20
(b) Unsecured, considered good		
(i) Capital advances	356.97	491.79
(ii) Security deposits	615.66	541.34
(iii) Loans and advances to employees	7.06	7.91
(iv) Loans and advances to related parties	128.13	48.13
(v) Advance tax (including refunds receivable) (net)	3067.16	1934.81
(vi) MAT credit entitlement	1885.46	1840.27
(vii) Other loans and advances	1225.96	448.43
(c) Unsecured, considered doubtful		
Security deposits	0.31	0.33
Less : Provision for doubtful security deposits	(0.31)	(0.33)
	7286.62	5312.88

Notes forming part of the Consolidated Financial Statements**14) LONG-TERM LOANS AND ADVANCES (Contd.)**

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
Loans and advances to related parties pertain to:		
Tata Sons Limited	2.74	2.74
Tata Realty And Infrastructure Limited	45.39	45.39
Tata Capital Financial Services Limited	80.00	-
Other loans and advances considered good include:		
Inter-corporate deposits	858.00	-
Indirect tax recoverable	54.76	54.80
Prepaid expenses	217.66	358.04

15) OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Interest receivable	34.55	37.51
(b) Long-term bank deposits	1477.25	2411.88
(c) Earmarked balances with banks	25.06	0.11
(d) Other non-current assets	8.47	5.14
	1545.33	2454.64

Other non-current assets include discount on bonds and debentures receivable on maturity of ₹ 8.47 crores (March 31, 2013: ₹ Nil).

16) CURRENT INVESTMENTS

Current investments consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Fully paid equity shares (quoted)	-	0.01
(b) Investment in mutual funds (unquoted)	423.63	586.93
(c) Investment in bonds (quoted)	6.97	6.96
(d) Investment in debentures and bonds (unquoted)	727.87	335.14
	1158.47	929.04
(i) Market value of quoted investments	7.58	7.78
(ii) Book value of quoted investments	6.97	6.97
(iii) Book value of unquoted investments	1151.50	922.07

17) INVENTORIES

Inventories consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Raw materials, sub-assemblies and components	7.59	6.65
(b) Finished goods and Work-in-progress	5.63	12.04
(c) Stores and spares	1.99	2.46
	15.21	21.15

Inventories are carried at the lower of cost and net realisable value.

Notes forming part of the Consolidated Financial Statements

18) UNBILLED REVENUE

Unbilled revenue as at March 31, 2014, amounting to ₹ 4005.61 crores (March 31, 2013 : ₹ 3141.03 crores) primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

19) TRADE RECEIVABLES (Unsecured)

Trade receivables consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Over six months from the date they were due for payment		
(i) Considered good	1460.46	1427.80
(ii) Considered doubtful	298.20	189.84
(b) Others		
(i) Considered good	16769.94	12667.78
(ii) Considered doubtful	-	0.40
	18528.60	14285.82
Less: Provision for doubtful receivables	(298.20)	(190.24)
	18230.40	14095.58

20) CASH AND BANK BALANCES

Cash and bank balances consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	880.91	1179.55
In deposit accounts with original maturity less than 3 months	537.34	624.41
(ii) Cheques on hand	16.59	17.88
(iii) Cash on hand	2.55	1.98
(iv) Remittances in transit	30.47	17.54
	1467.86	1841.36
(b) Other bank balances		
(i) Earmarked balances with banks	25.59	16.34
(ii) Short-term bank deposits	12948.39	4911.46
	14441.84	6769.16

Balances with banks in current accounts do not include two bank accounts (March 31, 2013: fourteen bank accounts) having a balance of ₹ Nil (March 31, 2013: ₹ 1.35 crores) operated by the Company on behalf of a third party.

Notes forming part of the Consolidated Financial Statements

21) SHORT-TERM LOANS AND ADVANCES

Short-term loans and advances consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Secured, considered good		
Loans and advances to employees	1.50	1.18
(b) Unsecured, considered good		
(i) Loans and advances to employees	309.74	202.82
(ii) Loans and advances to related parties	305.06	50.05
(iii) Advance tax (including refunds receivable) (net)	33.83	4.90
(iv) MAT credit entitlement	10.50	4.43
(v) Other loans and advances	3650.17	5379.88
(c) Unsecured, considered doubtful		
(i) Loans and advances to employees	44.57	38.20
(ii) Other loans and advances	15.27	11.63
Less : Provision for doubtful loans and advances	(59.84)	(49.83)
	4310.80	5643.26
Loans and advances to related parties pertain to:		
Tata Realty And Infrastructure Limited	50.00	50.00
Tata Teleservices Limited	-	0.04
Tata AIG General Insurance Company Limited	0.02	-
Tata Housing Development Company Limited	55.00	-
Tata Teleservices (Maharashtra) Limited	-	0.01
Tata Capital Financial Services Limited	200.00	-
Infiniti Retail Limited	0.04	-
Other loans and advances considered good include:		
Fair values of foreign currency forward, option and futures contracts	352.19	187.78
Security deposits	87.11	114.54
Inter-corporate deposits	1567.00	3634.77
Prepaid expenses	1122.53	952.51

22) OTHER CURRENT ASSETS

Other current assets consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Future finance lease receivables (Refer note 37(a))	-	0.96
Less: Unearned finance income	-	(0.03)
	-	0.93
(b) Interest receivable	727.41	765.89
(c) Other current assets	7.95	32.42
	735.36	799.24

Other current assets include discount on bonds and debentures receivable on maturity of ₹ 5.16 crores (March 31, 2013: ₹ Nil).

Notes forming part of the Consolidated Financial Statements

23) REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

(₹ crores)

	2014	2013
(a) Information technology and consultancy services	80139.84	61223.00
(b) Sale of equipment and software licences	1669.52	1766.48
	81809.36	62989.48

24) OTHER INCOME (NET)

Other income (net) consist of the following:

(₹ crores)

	2014	2013
(a) Interest income	1340.00	1039.74
(b) Dividend income	9.25	6.47
(c) Profit on redemption of mutual funds and sale of other current investments (net)	173.09	41.36
(d) Rent	17.62	16.41
(e) Profit on sale of fixed assets (net)	4.55	0.23
(f) Exchange gain (net)	17.62	49.27
(g) Miscellaneous income	74.61	24.75
	1636.74	1178.23
Interest income pertains to :		
Interest on bank deposits	728.13	658.19
Interest on inter-corporate deposits	337.70	228.10
Interest on long-term bonds and debentures	254.60	130.29
Other interest	19.57	23.16
Dividend income pertains to:		
Dividend from current investments (mutual funds)	9.25	5.84
Dividend from other long-term investments	-	0.63
Exchange gain (net) includes:		
Loss on foreign exchange forward and currency option contracts which have been designated as Cash Flow Hedges (Refer note 42)	(751.93)	(403.51)

25) EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

(₹ crores)

	2014	2013
(a) Salaries and incentives	26148.72	21114.54
(b) Contributions to - (Refer note 33)		
(i) Provident fund and pension fund	564.35	533.11
(ii) Superannuation scheme	191.74	168.96
(iii) Gratuity fund	132.26	149.46
(iv) Social security and other plans for overseas employees	1125.52	680.93
(c) Staff welfare expenses	1697.42	1392.96
	29860.01	24039.96

Notes forming part of the Consolidated Financial Statements

26) OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

(₹ crores)

	2014	2013
(a) Overseas business expenses	11636.42	8701.94
(b) Services rendered by business associates and others	4938.37	3763.74
(c) Software, hardware and material costs	3088.68	2652.50
(d) Communication expenses	874.04	766.91
(e) Travelling and conveyance expenses	1046.75	816.65
(f) Rent	1421.27	1165.17
(g) Legal and professional fees	613.61	460.53
(h) Repairs and maintenance	499.11	409.77
(i) Electricity expenses	527.10	475.76
(j) Bad debts (recovered)/written off (net)	(5.71)	42.53
(k) Advances (recovered)/ written off (net)	(0.12)	2.82
(l) Provision for doubtful receivables (net)	90.96	6.24
(m) Provision for doubtful advances (net)	10.17	4.29
(n) Recruitment and training expenses	303.46	249.13
(o) Diminution in value of investments (net)	-	(0.22)
(p) Commission and brokerage	62.23	54.86
(q) Printing and stationery	93.33	74.22
(r) Insurance	61.13	44.55
(s) Rates and taxes	108.19	101.50
(t) Entertainment	60.20	47.61
(u) Other expenses	1367.37	1069.11
	26796.56	20909.61
(i) Overseas business expenses includes:		
Travel expenses	1007.88	817.56
Employee allowances	10626.29	7881.90
(ii) Repairs and maintenance includes:		
Buildings	250.08	191.08
Office and computer equipment	243.42	213.37

27) FINANCE COSTS

Finance costs consist of the following:

(₹ crores)

	2014	2013
Interest expense	38.52	48.49
	38.52	48.49

28) Current tax for the year ended March 31, 2014 is adjusted for the effect of additional provision (net) of ₹ 394.53 crores (March 31, 2013: ₹ 58.18 crores) in domestic and certain overseas jurisdictions relating to earlier years of which the impact on MAT entitlement of earlier period is ₹ 451.92 crores (March 31, 2013: ₹ 128.97 crores).

Notes forming part of the Consolidated Financial Statements

29) (a) Particulars of subsidiaries:

Name of the Company	Country of incorporation	Percentage of voting power as at March 31, 2014	Percentage of voting power as at March 31, 2013
Subsidiaries (held directly)			
APOnline Limited	India	89.00	89.00
C-Edge Technologies Limited	India	51.00	51.00
CMC Limited	India	51.12	51.12
Diligenta Limited	UK	100.00	100.00
MP Online Limited	India	89.00	89.00
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00
Tata America International Corporation	USA	100.00	100.00
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00
Tata Consultancy Services Belgium S.A.	Belgium	100.00	100.00
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00
TCS FNS Pty Limited	Australia	100.00	100.00
TCS Iberoamerica SA	Uruguay	100.00	100.00
WTI Advanced Technology Limited	India	100.00	100.00
Tata Consultancy Services Morocco SARL AU	Morocco	100.00	100.00
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	60.00	60.00
TCS e-Serve Limited (Refer note 32 (a))	India	-	96.26
MahaOnline Limited	India	74.00	74.00
Tata Consultancy Services Qatar S.S.C.	Qatar	100.00	100.00
Computational Research Laboratories Inc. (w.e.f. 16.08.2012)	USA	100.00	100.00
TCS e-Serve International Limited (Refer note 32(a))	India	100.00	96.26
Subsidiaries (held indirectly)			
CMC Americas Inc.	USA	100.00	100.00
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00
Tata Information Technology (Shanghai) Company Limited (Refer note 32(b))	China	-	100.00
Tata Consultancy Services (China) Co., Ltd. (Refer note 32(b))	China	90.00	74.63
TCS Solution Center S.A.	Uruguay	100.00	100.00
Tata Consultancy Services Argentina S.A.	Argentina	99.99	99.99
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00
TCS Italia SRL	Italy	100.00	100.00
Tata Consultancy Services Japan Ltd.	Japan	100.00	100.00
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00
Tata Consultancy Services Portugal Unipessoal Limitada	Portugal	100.00	100.00
TCS Inversiones Chile Limitada	Chile	99.99	99.99

Notes forming part of the Consolidated Financial Statements

Name of the Company	Country of incorporation	Percentage of voting power as at March 31, 2014	Percentage of voting power as at March 31, 2013
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00
TCS Financial Solutions Australia Holdings Pty Limited	Australia	100.00	100.00
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00
TCS Management Pty Ltd.	Australia	100.00	100.00
PT Financial Network Services	Indonesia	100.00	100.00
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00
Tata Consultancy Services France SAS	France	100.00	100.00
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	75.00	75.00
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00
TCS e-Serve America, Inc.	USA	100.00	100.00
TCS Uruguay S.A.	Uruguay	100.00	100.00
MGDC S.C.	Mexico	100.00	100.00
Diligenta 2 Limited	UK	100.00	100.00
MS CJV Investments Corporation	USA	100.00	100.00
CMC eBiz Inc.	USA	100.00	100.00
Nippon TCS Solution Center Limited	Japan	60.00	60.00
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00
Tata Consultancy Services Danmark ApS	Denmark	100.00	100.00
Alti S.A. (w.e.f. 28.06.2013)	France	100.00	-
Planaxis Technologies Inc. (w.e.f. 28.06.2013)	Canada	100.00	-
Alti HR S.A.S. (w.e.f. 28.06.2013)	France	100.00	-
Alti Infrastructures Systemes & Reseaux S.A.S. (w.e.f. 28.06.2013)	France	100.00	-
Alti NV (w.e.f. 28.06.2013)	Belgium	100.00	-
TESCOM (France) Software Systems Testing S.A.R.L. (w.e.f. 28.06.2013)	France	100.00	-
Alti Switzerland S.A. (w.e.f. 28.06.2013)	Switzerland	100.00	-
Teamlink (w.e.f. 28.06.2013)	Belgium	100.00	-

(b) The contribution of the subsidiaries acquired during the year is as under:

(₹ crores)

Name of subsidiary	Revenue (post acquisition)	Net profit/(loss) (post acquisition)	Net assets
Alti S.A.	641.47	20.93	195.30
Planaxis Technologies Inc.	36.32	2.73	36.05
Alti HR S.A.S.	-	1.23	12.04
Alti Infrastructures Systemes & Reseaux S.A.S.	0.07	0.81	1.38
Alti NV	89.92	(1.81)	4.67
TESCOM (France) Software Systems Testing S.A.R.L.	6.22	(1.31)	(7.19)
Alti Switzerland S.A.	49.23	3.03	5.23
Teamlink	-	(0.78)	(1.56)

Notes forming part of the Consolidated Financial Statements

30) ACQUISITIONS / DIVESTMENTS

- a) On June 28, 2013, Tata Consultancy Services Netherlands BV, a wholly owned subsidiary of the Company, has acquired 100 percent share capital of Alti S.A., an information technology services company in France, along with its subsidiaries.
- b) Tata Consultancy Services Morocco SARL AU, a wholly owned subsidiary, is in the process of being voluntarily liquidated.
- 31) a) The Company has given an undertaking to the Government of Maharashtra not to divest its shareholding in MahaOnline Limited except to an affiliate. This equity investment is subject to the restriction as per terms of the contractual agreement. The restriction is valid as at March 31, 2014.
- b) The Company has given an undertaking to the investors of KOOH Sports Private Limited not to transfer its shareholding prior to the expiry of thirty-six months from the completion date of the investment agreement except with the prior written consent of the other parties to the agreement. The restriction is valid as at March 31, 2014.
- c) The Company has given letter of comfort to various banks for credit facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Switzerland Ltd., (c) Tata Consultancy Services Sverige AB, (d) Tata Consultancy Services Belgium S.A., (e) Tata Consultancy Services Deutschland GmbH, (f) TCS Italia SRL (g) Tata Consultancy Services France SAS (h) Tata Consultancy Services Asia Pacific Pte Ltd., (i) Tata Consultancy Services Malaysia Sdn Bhd and (j) Tata Consultancy Services Japan Ltd. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiaries and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

32) a) **Amalgamation of TCS e-Serve Limited and demerger of TCS e-Serve International Limited Special Economic Zone (SEZ) undertaking to the Company**

In September 2013, TCS e-Serve Limited, a subsidiary, amalgamated with the Company in accordance with the terms of the Scheme of Arrangement sanctioned by the High Court of judicature at Bombay. The Company has issued 15,06,983 equity shares to the shareholders of TCS e-serve Limited pursuant to the Scheme. As a result of the amalgamation, adjustments to goodwill on consolidation and minority interest have been recorded in general reserve. The Scheme of Arrangement also included the transfer of SEZ units from TCS e-Serve international Limited to the Company effective April 1, 2013.

b) **Amalgamation of Tata Information Technology (Shanghai) Company Limited with Tata Consultancy Services (China) Co., Ltd.**

Pursuant to the merger agreement and the issuance of the business licence of enterprise by Beijing Administration of Industry and Commerce in November 2013, Tata Information Technology (Shanghai) Company Limited amalgamated with Tata Consultancy Services (China) Co., Ltd.. Post merger the Group's voting interest in equity of Tata Consultancy Services (China) Co., Ltd. increased to 90%. As a result of the amalgamation, adjustment to minority interest has been recorded in general reserve.

33) EMPLOYEE RETIREMENT BENEFITS

a) **Defined contribution plans**

The Company and its subsidiaries make Provident Fund, Pension Fund, Foreign contribution Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company and its subsidiaries are required to contribute a specified percentage of the payroll costs to fund the benefits. In case of Provident Fund, the contributions as specified under the law are paid to the Provident Fund set up as a trust by the Company and its subsidiaries or to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme and to the administrator of funds in case of foreign contribution plans. In respect of Provident fund contributions, the Company and its subsidiaries are generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rate of return and recognises such contribution and shortfall, if any as an expense in the year it is incurred.

The Group recognised ₹ 564.35 crores (March 31, 2013: ₹ 533.11 crores) for provident fund and pension fund contributions and ₹ 191.74 crores (March 31, 2013: ₹ 168.96 crores) for superannuation contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group has contributed ₹ 540.21 crores (March 31, 2013: ₹ 271.25 crores) towards other foreign defined contribution plans.

b) **Defined benefit plans**

The Company and its subsidiaries in India provide to the eligible employees defined benefit plans such as gratuity, post retirement medical benefit, post retirement vacation and pension plan. The Gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The measurement date used for determining retirement benefits for gratuity is March 31. Certain overseas subsidiaries of the Company also provide for retirement benefit plans in accordance with the local laws.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

Notes forming part of the Consolidated Financial Statements

The following table set out the funded and unfunded status of the retirement benefit plans and the amounts recognised in the financial statements:

Retirement benefits	Indian		Foreign		(₹ crores)
	Funded	Unfunded	Funded	Unfunded	Consolidated
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014
i) Change in benefit obligations:					
Projected benefit obligation, beginning of the year	880.58	2.17	338.95	16.02	1237.72
	722.99	1.71	267.70	5.98	998.38
Service cost	154.03	0.27	29.35	5.66	189.31
	117.38	0.56	21.89	6.57	146.40
Interest cost	70.87	0.16	13.33	1.11	85.47
	66.27	0.09	10.69	0.92	77.97
Acquisitions	-	-	-	8.44	8.44
	-	-	-	-	-
Actuarial loss/(gain)	(23.10)	(0.02)	19.41	1.83	(1.88)
	18.34	0.57	47.28	(0.18)	66.01
Plan participants' contributions	-	-	7.39	-	7.39
	-	-	7.56	-	7.56
Exchange loss / Adjustments	1.31	(1.31)	68.56	1.55	70.11
	0.65	(0.65)	0.24	0.50	0.74
Past service cost / (credit)	3.92	0.03	(19.55)	-	(15.60)
	-	-	(2.41)	3.80	1.39
Benefits paid	(70.06)	(0.06)	(28.25)	(0.76)	(99.13)
	(45.05)	(0.11)	(14.00)	(1.57)	(60.73)
Projected benefit obligation, end of the year	1017.55	1.24	429.19	33.85	1481.83
	880.58	2.17	338.95	16.02	1237.72
ii) Change in plan assets:					
Fair value of plan assets, beginning of the year	623.58	-	312.58	-	936.16
	569.23	-	269.29	-	838.52
Expected return on plan assets	51.68	-	16.62	-	68.30
	49.69	-	12.07	-	61.76
Plan participants' contributions	-	-	7.39	-	7.39
	-	-	7.56	-	7.56
Employers' contributions	232.80	-	25.96	-	258.76
	45.65	-	22.58	-	68.23
Exchange gain	-	-	63.47	-	63.47
	-	-	1.34	-	1.34
Benefits paid	(70.06)	-	(28.25)	-	(98.31)
	(45.05)	-	(14.00)	-	(59.05)
Actuarial gain/(loss)	22.22	-	(8.90)	-	13.32
	4.06	-	13.74	-	17.80
Fair value of plan assets, end of the year	860.22	-	388.87	-	1249.09
	623.58	-	312.58	-	936.16
iii) Excess of obligation over plan assets (net)	(157.33)	(1.24)	(40.32)	(33.85)	(232.74)
	(257.00)	(2.17)	(26.37)	(16.02)	(301.56)

Notes forming part of the Consolidated Financial Statements

(₹ crores)

Retirement benefits	Indian		Foreign		Consolidated
	Funded	Unfunded	Funded	Unfunded	
	2014	2014	2014	2014	
iv) Net gratuity and other retirement benefit cost:					
Service cost	154.03	0.27	29.35	5.66	189.31
	117.38	0.56	21.89	6.57	146.40
Interest on defined benefit obligation	70.87	0.16	13.33	1.11	85.47
	66.27	0.09	10.69	0.92	77.97
Expected return on plan assets	(51.68)	-	(16.62)	-	(68.30)
	(49.69)	-	(12.07)	-	(61.76)
Past service cost / (credit)	3.92	0.03	(19.55)	-	(15.60)
	-	-	(2.41)	3.80	1.39
Net actuarial loss /(gain) recognised during the year	(45.32)	(0.02)	28.31	1.83	(15.20)
	14.28	0.57	33.54	(0.18)	48.21
Net gratuity and other retirement benefit cost	131.82	0.44	34.82	8.60	175.68
	148.24	1.22	51.64	11.11	212.21
Actual return on plan assets	73.90	-	7.72	-	81.62
	53.75	-	25.81	-	79.56

(₹ crores)

	Indian	Foreign	Consolidated
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014
v) Category of assets:			
Corporate bonds	-	88.03	88.03
	-	113.07	113.07
Equity shares	-	49.97	49.97
	-	59.74	59.74
Index linked bonds	-	88.49	88.49
	-	69.95	69.95
Insurer managed funds	860.18	159.63	1019.81
	623.51	18.93	642.44
Cash and bank balances	-	2.75	2.75
	-	4.68	4.68
Government Securities	-	-	-
	-	28.89	28.89
Others	0.04	-	0.04
	0.07	17.32	17.39
Total	860.22	388.87	1249.09
	623.58	312.58	936.16

Notes forming part of the Consolidated Financial Statements

vi) Assumptions used in accounting for the defined benefit plan	Indian	Foreign
Discount rate	9.00% 8.00%	2.25%-7.60% 2.25%-7.00%
Salary escalation rate	4.00%-7.00% 4.00%-7.00%	1.50 %-4.64% 1.50%-4.64%
Expected rate of return on plan assets	9.00% 8.60%-8.70%	2.25%-4.50% 2.25%-4.70%

The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company and its subsidiaries policy for plan asset management.

(₹ crores)

Particulars	Indian				
	2014	2013	2012	2011	2010
Experience adjustment					
On plan liability loss/(gain)	55.10	(17.78)	44.05	31.05	4.55
On plan asset gain	22.22	4.06	6.61	9.27	3.47
Present value of benefit obligation	1,018.79	882.75	724.70	602.65	497.21
Fair value of plan assets	860.22	623.58	569.23	518.91	436.83
Excess of obligation over plan assets (net)	(158.57)	(259.17)	(155.47)	(83.74)	(60.38)

(₹ crores)

Particulars	Foreign				
	2014	2013	2012	2011	2010
Experience adjustment					
On plan liability gain	(3.06)	(2.11)	(0.38)	(3.74)	(10.86)
On plan asset (loss) / gain	(8.90)	13.74	4.16	0.33	(12.02)
Present value of benefit obligation	463.04	354.97	273.68	222.22	172.80
Fair value of plan assets	388.87	312.58	269.29	213.65	155.31
Excess of obligation over plan assets (net)	(74.17)	(42.39)	(4.39)	(8.57)	(17.49)

The expected contributions are based on the same assumptions used to measure Group's gratuity obligations as at March 31, 2014. The Group is expected to contribute ₹ 310.42 crores to defined benefit plans for the year ended March 31, 2015, comprising domestic component of ₹ 296.21 crores and foreign component of ₹ 14.21 crores.

Previous year's figures are in italics.

Notes forming part of the Consolidated Financial Statements

34) SEGMENT REPORTING

The Group has identified business segments (industry practice) as its primary segment and geographic segments as its secondary segment.

Business segments are primarily financial services comprising of customers providing banking, finance and insurance services, manufacturing companies, companies in retail and consumer packaged goods industries, companies in telecommunication, media and entertainment and others such as energy, resources and utilities, hi-tech industry practice, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenue is allocated based on the location of the customer. Geographic segments of the Group are Americas (including Canada and South American countries), Europe, India and Others.

Year ended March 31, 2014

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Revenue	35112.41	6989.36	11309.06	9613.74	18784.79	81809.36
	27146.25	5215.52	8401.22	7539.71	14686.78	62989.48
Segment result	11522.77	2051.15	3673.75	2748.56	5028.96	25025.19
	8014.29	1362.65	2580.64	1948.81	3991.73	17898.12
Unallocable expenses (net)						1260.07
						986.62
Operating income						23765.12
						16911.50
Other income (net)						1636.74
						1178.23
Profit before tax						25401.86
						18089.73
Tax expense						6069.99
						4014.04
Profit before minority interest						19331.87
						14075.69
Minority interest						168.00
						158.38
Profit for the year						19163.87
						13917.31

TATA CONSULTANCY SERVICES LIMITED

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Notes forming part of the Consolidated Financial Statements

As at March 31, 2014

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Segment assets	9847.07	2162.04	3055.24	3148.15	8228.79	26441.29
	<i>11289.07</i>	<i>1615.30</i>	<i>2142.67</i>	<i>2517.09</i>	<i>6791.49</i>	<i>24355.62</i>
Unallocable assets						40696.49
						<i>27812.25</i>
Total assets						67137.78
						<i>52167.87</i>
Segment liabilities	1503.43	167.61	130.78	171.51	1220.19	3193.52
	<i>1243.95</i>	<i>122.48</i>	<i>92.08</i>	<i>180.76</i>	<i>764.58</i>	<i>2403.85</i>
Unallocable liabilities						14041.51
						<i>10422.98</i>
Total liabilities						17235.03
						<i>12826.83</i>

Year ended March 31, 2014

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Other information :						
Capital expenditure (allocable)	37.77	-	-	-	103.30	141.07
	<i>120.31</i>	-	-	-	<i>100.97</i>	<i>221.28</i>
Capital expenditure (unallocable)						3416.12
						<i>2502.57</i>
Depreciation (allocable)	100.91	-	-	-	26.69	127.60
	<i>117.45</i>	-	-	-	<i>24.12</i>	<i>141.57</i>
Depreciation (unallocable)						1221.55
						<i>938.35</i>
Other significant non cash expenses (allocable)	18.26	4.70	(1.44)	27.20	46.58	95.30
	<i>8.70</i>	<i>2.90</i>	<i>3.20</i>	<i>17.81</i>	<i>23.27</i>	<i>55.88</i>
Other significant non cash expenses (net) (unallocable)						-
						<i>(0.22)</i>

The following geographic segments individually contribute 10 percent or more of the Group's revenue or segment assets:

(₹ crores)

Geographic segments	Revenue for the year ended March 31, 2014	Segment assets as at March 31, 2014
Americas	45259.43	10774.01
	<i>35247.16</i>	<i>9959.55</i>
Europe	23432.70	9148.15
	<i>16813.41</i>	<i>6035.49</i>
India	5487.80	5045.06
	<i>4890.26</i>	<i>5229.28</i>

Previous year's figures are in italics.

Notes forming part of the Consolidated Financial Statements

35) RELATED PARTY DISCLOSURES

A) Related parties and their relationship

I) Holding Company

Tata Sons Limited

II) Fellow subsidiaries with whom the Group has transactions

- Infiniti Retail Limited
- Panatone Finvest Limited
- Tata AIG General Insurance Company Limited
- Tata AIA Life Insurance Company Limited
- Tata Investment Corporation Limited
- Tata Limited
- Tata Asset Management Limited
- Tata Business Support Services Limited
- Tata Capital Limited
- Tata Housing Development Company Limited
- Tata Consulting Engineers Limited
- Tata Sky Limited
- Tata Realty and Infrastructure Limited
- e-Nxt Financials Limited
- Tata Industries Limited
- Tata International Limited
- Tata Autocomp Systems Limited
- Drive India Enterprise Solutions Limited
- Nova Integrated Systems Limited
- Tata Lockheed Martin Aerostructures Limited
- Tata Capital Housing Finance Limited
- TC Travel And Services Limited
- Tata Securities Limited
- Tata Capital Forex Limited (formerly TT Holdings & Services Limited)
- Tata Capital Financial Services Limited
- Tata Value Homes Limited (formerly Smart Value Homes Limited)
- Smart Value Homes (Peenya Project) Private Limited (w.e.f. 19.03.2013) [formerly known as Smart Value Homes (Boisar Project) Private Limited]
- Smart Value Homes (Boisar) Private Limited (formerly known as Niyati Sales Pvt Limited) (w.e.f. 30.04.2013)
- Smart Value Homes (New Project) Private Limited (w.e.f. 07.05.2013)
- Tata Interactive Systems GmbH
- Tata Interactive Systems AG
- Tata Africa Holdings (SA) (Proprietary) Limited
- TATA Africa Holdings (Kenya) Limited
- Tata Africa Services (Nigeria) Limited
- Tata Zambia Limited
- Tata Teleservices Limited (upto 25.03.2013)
- Tata Teleservices (Maharashtra) Limited (upto 25.03.2013)
- MMP Mobi Wallet Payment Systems Limited (upto 25.03.2013)
- VIOM Networks Limited (upto 25.03.2013)
- Tata Advanced Materials Limited
- Tata International Singapore Pte Limited

III) Key Management Personnel

- Mr. N. Chandrasekaran
- Mr. Rajesh Gopinathan (w.e.f. 10.02.2013)
- Mr. S. Mahalingam (upto 09.02.2013)

Notes forming part of the Consolidated Financial Statements

B) Transactions with related parties for the year ended March 31, 2014

(₹ crores)

	Holding Company	Fellow Subsidiaries	Key Management Personnel and their relatives	Total
Brand equity contribution	118.07 109.57	- -	- -	118.07 109.57
Purchase of fixed assets	-	40.33 57.88	- -	40.33 57.88
Loans and advances given	-	0.06	-	0.06
Loans and advances repaid	-	-	-	-
	0.24	3.18	-	3.42
Inter-corporate deposits placed	-	340.00 180.00	- -	340.00 180.00
Inter-corporate deposits matured	-	5.00	-	5.00
Purchase of investments	-	25.00 163.92	- -	25.00 163.92
Redemption of investments	348.33 333.33	- 5.00	- -	348.33 338.33
Revenue (including reimbursements)	1.80 0.37	195.91 492.36	- -	197.71 492.73
Interest income (including pre-acquisition period)	126.43 98.17	55.18 37.08	- -	181.61 135.25
Dividend income	-	-	-	-
Other income	-	0.63	-	0.63
	-	0.08	-	0.08
Purchase of goods, services and facilities (including reimbursement)	1.16 0.78	261.76 364.31	- -	262.92 365.09
Rent expense	0.81 0.86	4.06 4.32	- 0.06	4.87 5.24
(Write back of provision)/provision for doubtful receivables, advances (net)	0.02 -	0.37 0.24	- -	0.39 0.24
Bad debts written off	-	-	-	-
	-	0.35	-	0.35
Dividend paid on equity shares	3608.63 3608.63	6.94 4.79	0.22 0.63	3615.79 3614.05
Dividend paid on redeemable preference shares	19.00 22.00	- -	- -	19.00 22.00
Remuneration	-	-	20.05 15.80	20.05 15.80
Repayment of preference share capital	100.00 -	- -	- -	100.00 -

Notes forming part of the Consolidated Financial Statements

C) Balances with related parties as at March 31, 2014

(₹ crores)

	Holding Company	Fellow Subsidiaries	Key Management Personnel and their relatives	Total
Trade receivables, Unbilled revenue, Loans and advances, Other assets (net)	74.68 159.75	538.49 250.33	- -	613.17 410.08
Trade payables, Income received in advance, Advances from customers, Other liabilities	108.15 110.33	15.18 33.83	- -	123.33 144.16
Investment in debentures	1096.29 767.43	291.98 200.00	- -	1,388.27 967.43

Previous year's figures are in italics.

D) Disclosure of material transactions / balances with related parties

(₹ crores)

	2014	2013
Purchase of fixed assets		
Tata Consulting Engineers Limited	16.71	22.66
Tata Realty And Infrastructure Limited	23.35	34.77
Loans and advances given		
Tata AIG General Insurance Company Limited	0.02	-
Infiniti Retail Limited	0.04	-
Loans and advances repaid		
Tata Teleservices Limited *	-	2.34
Tata Autocomp Systems Limited	-	0.80
Inter-corporate deposits placed		
Tata Autocomp Systems Limited	-	30.00
Tata Capital Limited	-	150.00
Tata Capital Financial Services Limited	280.00	-
Tata Housing Development Company Limited	60.00	-
Inter-corporate deposits matured		
Tata Housing Development Company Limited	5.00	-
Tata Autocomp Systems Limited	-	60.00
Tata Realty And Infrastructure Limited	-	70.00
Tata Capital Limited	-	150.00
Purchase of investments		
Tata Capital Housing Finance Limited	25.00	-
Revenue (including reimbursements)		
Tata Teleservices Limited *	-	269.45
Tata Teleservices (Maharashtra) Limited *	-	51.54
Tata Sky Limited	64.99	45.75
Infiniti Retail Limited	24.47	20.19
Tata Capital Financial Services Limited	54.63	44.31

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Notes forming part of the Consolidated Financial Statements

	(₹ crores)	
	2014	2013
<u>Interest income (including pre-acquisition period)</u>		
Tata Sons Limited	126.42	98.17
Panatone Finvest Limited	19.00	19.61
<u>Purchase of goods, services and facilities (including reimbursement)</u>		
Tata Teleservices Limited *	-	44.30
Tata Capital Forex Limited (formerly TT Holdings & Services Limited)	223.62	239.80
<u>Rent expense</u>		
Tata Sons Limited	0.81	0.86
Tata Limited	1.52	1.05
Tata Africa Holdings (SA) (Proprietary) Limited	2.39	2.92
<u>(Write back of provision)/provision for doubtful receivables, advances (net)</u>		
VIOM Networks Limited *	-	(0.22)
Tata Teleservices Limited *	-	(0.12)
TATA Africa Holdings (Kenya) Limited	-	0.04
Nova Integrated Systems Limited	-	0.02
TC Travel And Services Limited	-	0.08
Tata Sky Ltd	(0.49)	0.49
Tata AIA Life Insurance Company Limited	-	(0.08)
Tata Realty and Infrastructure Limited	0.44	-
Drive India Enterprise Solutions Limited	0.28	-
Tata AIG General Insurance Company Limited	0.11	-
<u>Dividend paid on equity shares</u>		
Tata Sons Limited	3608.63	3608.63
<u>Bad debts written-off</u>		
Tata Teleservices Limited *	-	0.01
Tata Teleservices (Maharashtra) Limited *	-	0.33
<u>Remuneration to Key Management Personnel</u>		
Mr. N. Chandrasekaran	18.68	11.69
Mr. S. Mahalingam (upto 09.02.2013)	-	4.02
<u>Trade receivables, Unbilled revenue, Loans and advances, Other assets (net)</u>		
Tata Sons Limited	74.68	159.75
Tata Teleservices Limited *	-	63.50
Tata Realty And Infrastructure Limited	96.58	97.01
Tata Housing Development Company Limited	62.78	0.65
Tata Capital Financial Services Limited	316.67	18.42
<u>Trade payables, Income received in advance, Advances from customers, Other liabilities</u>		
Tata Sons Limited	108.15	110.33
Tata Teleservices Limited *	-	16.14
<u>Investment In debentures</u>		
Tata Sons Limited	1096.29	767.43
Panatone Finvest Limited	200.00	200.00

*Ceased to be a fellow subsidiary w.e.f. March 25, 2013.

Notes forming part of the Consolidated Financial Statements

36) OBLIGATION TOWARDS OPERATING LEASES

(₹ crores)

Non-cancellable operating lease obligation	As at March 31, 2014	As at March 31, 2013
Not later than one year	707.22	675.30
Later than one year but not later than five years	1817.41	1850.00
Later than five years	1107.12	1016.77
Total	3631.75	3542.07

Rental expenses of ₹ 694.63 crores (March 31, 2013: ₹ 611.61 crores) in respect of obligation under non-cancellable operating leases and ₹ 726.64 crores (March 31, 2013: ₹ 553.56 crores) in respect of cancellable operating leases have been charged to the statement of profit and loss.

37) FINANCE LEASE

a) Group as lessor

(₹ crores)

Particulars	As at March 31, 2014	As at March 31, 2013
(i) Gross investment		
Not later than one year	-	0.96
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	-	0.96
(ii) Present value of minimum lease payments receivable		
Not later than one year	-	0.93
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	-	0.93
Add: Unearned finance income	-	0.03
Total	-	0.96

b) Group as lessee

(₹ crores)

Obligations towards finance lease	As at March 31, 2014	As at March 31, 2013
Assets acquired under finance lease		
i) Minimum lease payments:		
Not later than one year	57.56	36.38
Later than one year but not later than five years	124.00	130.46
Later than five years	55.80	67.23
Total	237.36	234.07
ii) Present value of minimum lease payments:		
Not later than one year	42.05	20.03
Later than one year but not later than five years	87.24	85.59
Later than five years	38.97	43.87
Total	168.26	149.49
Add: Future finance charges	69.10	84.58
Total	237.36	234.07

Notes forming part of the Consolidated Financial Statements**38) RECEIVABLES UNDER SUB LEASES**

(₹ crores)

Sub lease receivables	As at March 31, 2014	As at March 31, 2013
Not later than one year	18.71	15.52
Later than one year but not later than five years	53.44	63.80
Later than five years	-	-
Total	72.15	79.32

The total amount recognised in the statement of profit and loss for the year ended March 31, 2014 is ₹ 17.62 crores (March 31, 2013: ₹ 16.41 crores).

39) EARNINGS PER SHARE [EPS]

(₹ crores)

Particulars	2014	2013
Profit for the year	19163.87	13917.31
Less: Dividend on preference shares (including dividend tax)	33.65	22.23
Amount available for equity shareholders	19130.22	13895.08
Weighted average number of equity shares	195,87,27,979	195,72,20,996
Earning per share basic and diluted (₹)	97.67	70.99
Face value per equity share (₹)	1.00	1.00

40) CONTINGENT LIABILITIES

(₹ crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Claims against the Group not acknowledged as debt	167.64	120.17
Income tax demands (See (a) below)	3898.43	2763.54
Indirect tax demands (See (b) below)	132.31	136.89
Guarantees given by the Group (See (c) below)	477.75	493.86
Other contingencies	0.56	0.66

- In respect of income tax demands of ₹ 318.20 crores (March 31, 2013: ₹ 384.59 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited, which has been amalgamated with the Company w.e.f. April 1, 2013.
- In respect of indirect tax demands of ₹ 8.53 crores (March 31, 2013: ₹ 63.26 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited, which has been amalgamated with the Company w.e.f. April 1, 2013.
- The Group has provided guarantees aggregating ₹ 477.75 crores (GBP 47.85 million) (March 31, 2013: ₹ 493.86 crores) (GBP 60.00 million) to third parties on behalf of its subsidiary Diligenta Limited. The Group does not expect any outflow of resources in respect of the above.
- The Group has examined the social security and tax aspects of contracts with legal entities which provide services to an overseas subsidiary and, based on legal opinion, concludes that the subsidiary is in compliance with the related statutory requirements.

Notes forming part of the Consolidated Financial Statements

41) CAPITAL AND OTHER COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2862.86 crores (March 31, 2013: ₹ 3406.17 crores).
- The Group has a purchase commitment of ₹ 45.05 crores (USD 7.5 million) towards an investment in a limited liability company.
- The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of balance ₹ 36445.78 per unit for 1000 units aggregating ₹ 3.64 crores (March 31, 2013: ₹ 4.74 crores).

42) DERIVATIVE FINANCIAL INSTRUMENTS

The Company and its subsidiaries, in accordance with its risk management policies and procedures, enter into foreign currency forward, option and futures contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Group has following outstanding derivative instruments as at March 31, 2014:

- The following are outstanding foreign currency forward contracts, which have been designated as Cash Flow Hedges as at:

Foreign Currency	March 31, 2014			March 31, 2013		
	No. of Contracts	Notional amount of forward contracts (million)	Fair Value (₹ crores)	No. of Contracts	Notional amount of forward contracts (million)	Fair Value (₹ crores)
U.S. Dollar	-	-	-	4	22.71	(11.21)
Sterling Pound	-	-	-	2	0.79	(0.25)
Australian Dollar	-	-	-	8	2.78	(2.43)

- The following are outstanding foreign currency option contracts, which have been designated as Cash Flow Hedges, as at:

Foreign Currency	March 31, 2014			March 31, 2013		
	No. of Contracts	Notional amount of currency option contracts (million)	Fair Value (₹ crores)	No. of Contracts	Notional amount of currency option contracts (million)	Fair Value (₹ crores)
U.S. Dollar	4	410.00	21.36	56	1150.00	(0.62)
Sterling Pound	6	177.00	18.23	12	123.00	62.59
Euro	3	120.00	19.87	15	102.00	15.66
Australian Dollar	3	75.00	2.71	-	-	-

Notes forming part of the Consolidated Financial Statements

The movement in Hedging Reserve during the year ended March 31, 2014, for derivatives designated as Cash Flow Hedges is as follows:

(₹ crores)

	Year ended March 31, 2014	Year ended March 31, 2013
Balance at the beginning of the year	46.11	(133.09)
Changes in the fair value of effective portion of cash flow hedges (includes net time value adjustment of ₹ 140.11 crores (March 31, 2013: ₹ Nil))	(760.20)	103.01
Losses transferred to statement of profit and loss on occurrence of forecasted hedge transactions (includes net time value adjustment of ₹ 144.87 crores (March 31, 2013: ₹ Nil))	744.09	79.99
Amount transferred from minority interest during the year	(0.36)	(3.80)
Balance at the end of the year (includes net time value adjustment of ₹ 4.76 crores (March 31, 2013: ₹ Nil))	29.64	46.11

Net gain on derivative instruments of ₹ 21.15 crores recognised in Hedging Reserve as of March 31, 2014, is expected to be reclassified to the statement of profit and loss by March 31, 2015.

In addition to the above Cash Flow Hedges, the Group has outstanding foreign currency forward, option and futures contracts with notional amount aggregating ₹ 15883.01 crores (March 31, 2013: ₹ 10665.98 crores) whose fair value showed a gain of ₹ 267.07 crores as at March 31, 2014 (March 31, 2013 : gain of ₹ 51.94 crores).

Exchange loss of ₹ 60.54 crores (March 31, 2013 : exchange gain of ₹ 271.52 crores) on foreign currency forward, option and futures contracts for the year ended March 31, 2014, have been recognised in the statement of profit and loss.

- 43)** Research and development expenditure aggregating ₹ 198.91 crores (March 31, 2013: ₹ 164.18 crores), including capital expenditure, was incurred during the year.
- 44)** Trade payables include payable to micro, small and medium enterprises ₹ 11.28 crores (March 31, 2013: ₹ 6.15 crores).
- 45)** Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.
- 46)** Previous year's figures have been recast / restated to conform to the classification of the current year.

INTEGRITY EXCELLENCE **COMMITMENT SCOPE** FOCUS ON MERITOCRACY
MANAGEMENT DISCUSSION AND ANALYSIS
CONSOLIDATED **UNCONSOLIDATED** BUSINESS RESPONSIBILITY
FINANCIAL STATEMENTS **FINANCIAL** FOCUS ASPIRE SECURITY
AGILITY FOCUS VALUES LEAD **STATEMENTS** INTEGRITY RIGOUR **DNA** CONFIDENCE
CORPORATE GOVERNANCE REPORT LEAD **HONESTY** BUSINESS CHANGE
AMBITIOUS INCLUSIVE RESPONSIBILITY REPORT

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**TO THE MEMBERS OF
TATA CONSULTANCY SERVICES LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **Tata Consultancy Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the Directors, taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P. R. RAMESH
Partner
(Membership No. 70928)

Mumbai, April 16, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Having regard to the nature of the Company's business / activities during the year, clause(xiii) of paragraph 4 of the Order is not applicable to the Company.
2. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3. In respect of the Company's inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
5. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
6. According to the information and explanations given to us, the Company has not entered into any contract or arrangement with companies, firms or other parties during the year covered in the Register maintained under Section 301 of the Act.
7. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public. Therefore, the provisions of the clause 4 (vi) of the Order are not applicable to the Company.
8. In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size of the Company and the nature of its business.
9. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
10. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

TATA CONSULTANCY SERVICES LIMITED

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- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of Sales Tax and Value Added Tax, Service Tax and Income Tax which have not been deposited as at March 31, 2014 on account of disputes are given below:

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (₹ crores)
Sales Tax and Value Added Tax	2001-02, 2003-04, 2004-05, 2005-06, 2007-08, 2009-10	High Court	19.19
	2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08	Tribunal	7.27
	2007-08, 2008-09, 2009-10, 2010-11	Deputy Commissioner	6.96
	2009-10	Commissioner of Sales Tax	0.01
	2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2012-13	Joint Commissioner	7.24
	2001-02, 2005-06, 2011-12	Assistant Commissioner	0.49
	2007-08, 2008-09, 2009-10	Additional Commissioner	0.02
Service Tax	2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10	Appellate Tribunal	11.61
	2008-09, 2009-10	Joint Commissioner	0.02
Income Tax	2005-06, 2008-09	Appellate Tribunal	157.16
	2007-08, 2008-09, 2009-10	Commissioner of Income Tax (Appeals)	999.51

There were no dues of Wealth Tax, Customs Duty, Excise Duty and Cess which have not been deposited as at March 31, 2014 on account of disputes.

- The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions or debenture holders.
- In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, having regard to the fact that the subsidiary is wholly owned, the terms and conditions of the guarantee given by the Company for loan taken by the subsidiary from a bank are not prima facie prejudicial to the interest of the Company.
- According to the information and explanations given to us, the Company did not avail any term loan during the year.
- In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have prima facie not been used during the year for long-term investment.
- According to the information and explanations given to us, during the year covered by our audit, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Act.

19. According to the information and explanations given to us, during the year covered by our report, the Company has not issued any secured debentures.
20. During the year covered by our report, the Company has not raised any money by way of public issue.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P. R. RAMESH
Partner
(Membership No. 70928)

Mumbai, April 16, 2014

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2013-14

Balance Sheet as at March 31, 2014

(₹ crores)

	Note	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	195.87	295.72
(b) Reserves and surplus	4	43856.01	32266.53
		44051.88	32562.25
Non - current liabilities			
(a) Long - term borrowings	5	89.69	83.10
(b) Deferred tax liabilities (net)	6(a)	226.87	168.49
(c) Other long - term liabilities	7	690.44	251.87
(d) Long - term provisions	8	279.61	269.52
		1286.61	772.98
Current liabilities			
(a) Short - term borrowings	9	-	80.02
(b) Trade payables		3977.55	3349.94
(c) Other current liabilities	10	2460.32	2172.71
(d) Short - term provisions	11	5827.83	3896.14
		12265.70	9498.81
TOTAL		57604.19	42834.04
II. ASSETS			
Non - current assets			
(a) Fixed assets	12		
(i) Tangible assets		5887.09	5059.48
(ii) Intangible assets		42.10	44.80
(iii) Capital work-in-progress		3047.53	1763.85
		8976.72	6868.13
(b) Non - current investments	13	5098.55	5975.73
(c) Deferred tax assets (net)	6(b)	273.58	148.23
(d) Long - term loans and advances	14	6875.54	4630.21
(e) Other non - current assets	15	1544.99	1881.20
		22769.38	19503.50
Current assets			
(a) Current investments	16	733.87	348.65
(b) Inventories	17	8.57	6.34
(c) Unbilled revenue	18	2626.08	2303.35
(d) Trade receivables	19	14471.89	11202.32
(e) Cash and bank balances	20	12566.26	4054.16
(f) Short - term loans and advances	21	3688.12	4733.38
(g) Other current assets	22	740.02	682.34
		34834.81	23330.54
TOTAL		57604.19	42834.04
III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS			
	1-48		

As per our report attached

For and on behalf of the Board

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Cyrus Mistry
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

Aman Mehta
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
Director

P. R. Ramesh
Partner

Dr. Ron Sommer
Director

Dr. Vijay Kelkar
Director

Phiroz Vandrevalla
Director

Ishaat Hussain
Director

O. P. Bhatt
Director

Rajesh Gopinathan
Chief Financial Officer

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 16, 2014

Mumbai, April 16, 2014

Statement of Profit and Loss for the year ended March 31, 2014

(₹ crores)

	Note	2014	2013
I. Revenue from operations (Net of excise duty of ₹ 3.15 crores (Previous year : ₹ 0.82 crore))	23	64672.93	48426.14
II. Other income (net)	24	3114.71	2230.39
TOTAL REVENUE		67787.64	50656.53
III. Expenses:			
(a) Employee benefit expenses	25	21466.56	17081.72
(b) Operation and other expenses	26	21672.65	17038.15
(c) Finance costs	27	23.41	30.62
(d) Depreciation and amortisation expense	12	1080.55	802.86
TOTAL EXPENSES		44243.17	34953.35
IV. PROFIT BEFORE TAX		23544.47	15703.18
V. Tax expense:			
(a) Current tax	28	5130.03	3197.40
(b) Deferred tax		(22.18)	44.02
(c) MAT credit entitlement	28	(38.30)	(324.58)
		5069.55	2916.84
VI. PROFIT FOR THE YEAR		18474.92	12786.34
VII. Earnings per equity share: - Basic and diluted (₹)	35	94.15	65.22
Weighted average number of equity shares (face value of ₹ 1 each)		195,87,27,979	195,72,20,996
VIII. NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-48		

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

Ishaat Hussain
Director

Suprakash Mukhopadhyay
Company Secretary

For and on behalf of the Board

S. Ramadorai
Vice Chairman

V. Thyagarajan
Director

Dr. Vijay Kelkar
Director

O. P. Bhatt
Director

N. Chandrasekaran
CEO and Managing Director

Prof. Clayton M. Christensen
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 16, 2014

Mumbai, April 16, 2014

Cash Flow Statement for the year ended March 31, 2014

		Note	2014	2013
			(₹ crores)	
I.	CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit before tax		23544.47	15703.18
	Adjustments for:			
	Depreciation and amortisation expense		1080.55	802.86
	Bad Debts written off		2.37	15.64
	Provision for doubtful receivables		68.26	17.81
	Provision for doubtful advances		8.78	16.89
	Advances (recovered) / written-off		(0.12)	2.54
	Interest expense		23.41	30.62
	Profit on sale of fixed assets (net)		(2.01)	(0.66)
	Unrealised exchange gain		(173.12)	(65.80)
	Exchange difference on translation of foreign currency cash and cash equivalents		(43.66)	16.68
	Dividend income (including exchange gain)		(1570.70)	(1110.92)
	Interest income		(1280.07)	(837.02)
	Profit on redemption of mutual funds and sale of other current investments (net)		(162.77)	(20.23)
	Operating Profit before working capital changes		21495.39	14571.59
	Inventories		(2.23)	(2.20)
	Unbilled revenue		(320.84)	(735.61)
	Trade receivables		(2976.90)	(2116.83)
	Loans and advances and other assets		(66.41)	(449.53)
	Trade payables, other liabilities and provisions		908.34	1527.69
	Cash generated from operations		19037.35	12795.11
	Taxes paid		(6095.42)	(3638.16)
	Net cash provided by operating activities		12941.93	9156.95
II.	CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of fixed assets		(2702.41)	(2252.72)
	Proceeds from sale of fixed assets		7.97	2.30
	Acquisition of subsidiaries		-	(163.92)
	Purchase of trade investments		(25.00)	(2.80)
	Proceeds from sale / redemption of trade investments		54.66	5.00
	Purchase of mutual funds and other investments		(75191.82)	(22054.70)
	Proceeds from redemption of mutual funds and sale of other investments		73705.98	21890.95
	Advance towards investment		-	(13.90)
	Loans repaid by subsidiaries		8.30	5.12
	Inter-corporate deposits placed		(2588.00)	(3091.12)
	Inter-corporate deposits matured		3454.77	515.75
	Fixed deposit placed with banks having original maturity over three months		(11744.00)	(3060.55)
	Fixed deposit with banks matured having original maturity over three months		4960.33	2971.00
	Dividend received from subsidiaries (including exchange gain)		1551.10	1109.44
	Dividend received from other investments		0.35	1.48
	Interest received		1318.45	655.69
	Net cash used in investing activities		(7189.32)	(3482.98)
III.	CASH FLOWS FROM FINANCING ACTIVITIES			
	Repayment of long-term borrowings		(1.24)	(1.24)
	Short term borrowings (net)		(80.02)	80.02
	Repayment of Inter-corporate deposits		-	(5.00)
	Dividend paid (including dividend tax and dividend paid to minority shareholders of TCS e-Serve Limited)		(5480.07)	(5703.16)
	Interest paid		(22.99)	(26.42)
	Redemption of preference shares		(100.00)	-
	Net cash used in financing activities		(5684.32)	(5655.80)
	Net increase in cash and cash equivalents		68.29	18.17
	Cash and cash equivalents at beginning of the year		323.85	318.97
	Add: Transferred as on April 1, 2013 consequent to amalgamation of companies		2.57	3.39
	Exchange difference on translation of foreign currency cash and cash equivalents		43.66	(16.68)
	Cash and cash equivalents at end of the year	20	438.37	323.85
	Earmarked balances with banks		14.99	10.53
	Short - term bank deposits		12112.90	3719.78
	Cash and Bank balances at the end of the year	20	12566.26	4054.16
IV.	NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-48		

Cash flows have been adjusted for the balances transferred from TCS e-Serve Limited and TCS e-Serve International Limited.

As per our report attached

For and on behalf of the Board

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Cyrus Mistry
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

Aman Mehta
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
Director

P. R. Ramesh
Partner

Dr. Ron Sommer
Director

Dr. Vijay Kelkar
Director

Phiroz Vandrevalla
Director

Ishaat Hussain
Director

O. P. Bhatt
Director

Rajesh Gopinathan
Chief Financial Officer

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 16, 2014

Mumbai, April 16, 2014

Notes forming part of the Financial Statements

1) CORPORATE INFORMATION

Tata Consultancy Services Limited (referred to as "TCS Limited" or "the Company") provide consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. The Company's full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Cloud Services, Connected Marketing Solutions, Consulting, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON-Small and Medium Businesses, IT Infrastructure Services, Mobility Products and Services and Platform Solutions.

As of March 31, 2014, Tata Sons Limited owned 73.69% of the Company's equity share capital and has the ability to control its operating and financial policies. The Company's registered office is in Mumbai and it has 64 subsidiaries across the globe.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) (which continues to be applicable in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 1956.

Comparative figures do not include the figures of erstwhile TCS e-Serve Limited and the discontinued operations of e-Serve International Limited which is amalgamated with the Company effective April 1, 2013. Consequently, the comparative figures are not comparable with the figures for the year ended March 31, 2014.

b) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual results and the estimates are recognised in the period in which the results are known/materialise.

c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the asset to its present location and condition.

Fixed assets exclude computers and other assets individually costing ₹ 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

d) Depreciation / Amortisation

Depreciation / amortisation on fixed assets, other than freehold land and capital work-in-progress is charged so as to write-off the cost of assets, on the following basis:

Type of asset	Method	Rate / Period
Leasehold land and buildings	Straight line	Lease period
Freehold buildings	Written down value	5.00%
Factory buildings	Straight line	10.00%
Leasehold improvements	Straight line	Lease period
Plant and machinery	Straight line	33.33%
Computer equipment	Straight line	25.00%
Vehicles	Written down value	25.89%
Office equipment	Written down value	13.91%
Electrical installations	Written down value	13.91%
Furniture and fixtures	Straight line	100%
Intellectual property / distribution rights	Straight line	24 – 60 months
Rights under licensing agreement	Straight line	License period

Fixed assets purchased for specific projects are depreciated over the period of the project.

Notes forming part of the Financial Statements**e) Leases**

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

f) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

g) Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds are stated at the lower of cost and fair value.

h) Employee benefits**(i) Post-employment benefit plans**

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to such benefits.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

i) Revenue recognition

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from the sale of equipment are recognised upon delivery, which is when title passes to the customer.

Revenues from sale of software licences are recognised upon delivery.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

In respect of Business Process Outsourcing (BPO) services, revenue on time and material and unit priced contracts is recognised as the related services are rendered, whereas revenue from fixed price contracts is recognised as per the proportionate completion method with contract cost determining the degree of completion.

Revenues are reported net of discounts.

Dividends are recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Notes forming part of the Financial Statements

j) **Taxation**

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

k) **Foreign currency transactions**

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on foreign exchange forward, options and futures contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward, options and future contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the statement of profit and loss.

l) **Derivative instruments and hedge accounting**

The Company uses foreign exchange forward, options and future contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges.

The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the statement of profit and loss. The Company separates the intrinsic value and time value of an option and designates as hedging instruments, only the fair value change in the intrinsic value of the option. The change in fair values of the time value of option, which was previously recognised immediately in profit or loss, is now accumulated in hedging reserve, a component of shareholders' funds and is classified to profit or loss when the forecast transaction occurs. This change in accounting for time value of an option has resulted in a reduction in profit before tax of ₹ 4.76 crores for the year ended March 31, 2014.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is classified to Statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss for the period.

Notes forming part of the Financial Statements

m) Inventories

Raw materials, sub-assemblies and components are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the lower of cost and net realisable value. Stores and spare parts are carried at lower of cost and net realisable value. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

o) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

3) SHARE CAPITAL

The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares and redeemable preference shares having a par value of ₹ 1 each as follows:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
Authorised		
(i) 420,05,00,000 equity shares of ₹ 1 each (March 31, 2013 : 225,00,00,000 equity shares of ₹ 1 each)	420.05	225.00
(ii) 105,02,50,000 redeemable preference shares of ₹ 1 each (March 31, 2013 : 100,00,00,000 redeemable preference shares of ₹ 1 each)	105.03	100.00
	525.08	325.00
Issued, Subscribed and Fully paid up		
(i) 195,87,27,979 equity shares of ₹ 1 each (March 31, 2013 : 195,72,20,996 equity shares of ₹ 1 each)	195.87	195.72
(ii) Nil redeemable preference shares of ₹ 1 each (March 31, 2013 : 100,00,00,000 redeemable preference shares of ₹ 1 each) *	-	100.00
	195.87	295.72

The Authorised Share Capital was increased to 420,05,00,000 equity shares of ₹ 1 each and 105,02,50,000 redeemable preference shares of ₹ 1 each pursuant to the amalgamation of two wholly-owned subsidiaries, Retail FullServe Limited and Computational Research Laboratories Limited vide Order dated March 22, 2013 and TCS e-Serve limited vide Order dated September 6, 2013 of the Hon'ble High Court of Judicature at Bombay.

* 100,00,00,000 Redeemable Preference Shares of ₹ 1 each, held by Tata Sons Limited were redeemed on March 28, 2014. Consequently, an amount of Rs. 100 crores has been transferred from the surplus in the statement of profit and loss to Capital redemption reserve on that date. The fixed cumulative dividend of 1 % per annum and the variable non cumulative dividend on the shares so redeemed will be paid consequent to the shareholder's approval in a general meeting.

Notes forming part of the Financial Statements

(a) Reconciliation of number of shares

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Amount (₹ crores)	Number of shares	Amount (₹ crores)
Equity shares				
Opening balance	195,72,20,996	195.72	195,72,20,996	195.72
Issued during the year	15,06,983	0.15	-	-
Closing balance	195,87,27,979	195.87	195,72,20,996	195.72
Preference shares				
Opening balance	100,00,00,000	100.00	100,00,00,000	100.00
Redeemed during the year	(100,00,00,000)	(100.00)	-	-
Closing balance	-	-	100,00,00,000	100.00

(b) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Preference shares

Preference shares carried a fixed cumulative dividend of 1% per annum and a variable non-cumulative dividend of 1% of the difference between the rate of dividend declared during the year on the equity shares of the Company and the average rate of dividend declared on the equity shares of the Company for three years preceding the year of issue of the redeemable preference shares.

(c) Shares held by holding company, its subsidiaries and associates

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
Equity shares		
Holding Company		
144,34,51,698 equity shares (March 31, 2013 : 144,34,51,698 equity shares) are held by Tata Sons Limited	144.35	144.35
Subsidiaries and associates of Holding Company		
10,29,700 equity shares (March 31, 2013 : 10,29,700 equity shares) are held by Tata Industries Limited	0.10	0.10
5,90,452 equity shares (March 31, 2013 : 5,90,452 equity shares) are held by Tata Investment Corporation Limited	0.06	0.06
200 equity shares (March 31, 2013 : 200 equity shares) are held by Tata Capital Limited	-	-
83,232 equity shares (March 31, 2013 : 83,232 equity shares) are held by Tata International Limited	0.01	0.01
452 equity shares (March 31, 2013 : 452 equity shares) are held by The Tata Power Company Limited	-	-
Total	144.52	144.52
Preference shares		
Holding Company		
Nil redeemable preference shares (March 31, 2013 : 100,00,00,000 redeemable preference shares) are held by Tata Sons Limited	-	100.00
Total	-	100.00

Notes forming part of the Financial Statements

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2014	As at March 31, 2013
Equity shares		
Tata Sons Limited, the Holding Company	144,34,51,698 73.69%	144,34,51,698 73.75%
Preference shares		
Tata Sons Limited, the Holding Company	-	100,00,00,000
	-	100%

(e) Equity shares allotted as fully paid up (during 5 years preceding March 31, 2014) include equity shares issued:
(i) Pursuant to contract without payment being received in cash

15,06,983 equity shares issued to the shareholders of TCS e-Serve Limited in terms of the composite scheme of arrangement (Scheme) sanctioned by the High Court of Judicature at Bombay vide their Order dated September 6, 2013.

(ii) Bonus shares

The Company allotted 97,86,10,498 equity shares as fully paid up bonus shares by utilisation of Securities premium reserve on June 18, 2009 pursuant to a shareholder's resolution passed by postal ballot on June 12, 2009.

4) RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Capital redemption reserve		
(i) Opening balance	-	-
(ii) Addition during the year (net)	100.00	-
	100.00	-
(b) Securities premium reserve		
(i) Opening balance	1918.47	1918.47
(ii) Transferred on account of Amalgamation (Refer Note 29)	0.40	-
	1918.87	1918.47
(c) Foreign currency translation reserve		
(i) Opening balance	174.61	152.46
(ii) Addition during the year (net)	51.24	22.15
	225.85	174.61
(d) Hedging reserve account (Refer Note 39)		
(i) Opening balance	55.49	(25.96)
(ii) Adjustment on amalgamation (Refer Note 29)	(8.33)	-
(iii) (Deduction) / addition during the year (net)	(17.52)	81.45
	29.64	55.49
(e) General reserve		
(i) Opening balance	5515.11	4280.74
(ii) Adjustment on amalgamation (Refer Note 29)	(2201.40)	(44.26)
(iii) Transferred from surplus in statement of profit and loss	1847.49	1278.63
	5161.20	5515.11
(f) Surplus in statement of profit and loss		
(i) Opening balance	24602.85	18235.20
(ii) Add: Transferred on amalgamation (Refer Note 29)	2375.22	(103.00)
(iii) Add : Profit for the year	18474.92	12786.34
	45452.99	30918.54
Less : Appropriations		
(a) Interim dividends on equity shares	2349.87	1761.49
(b) Proposed final dividend on equity shares	3917.46	2544.39
(c) Dividend on redeemable preference shares	28.76	19.00
(d) Tax on dividend	788.96	712.18
(e) General reserve	1847.49	1278.63
(f) Capital redemption reserve	100.00	-
	36420.45	24602.85
	43856.01	32266.53

The Board of Directors at its meeting held on April 16, 2014 has recommended a final dividend of ₹ 20 per equity share.

Notes forming part of the Financial Statements

5) LONG - TERM BORROWINGS

Long - term borrowings consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Secured loans		
Long term maturities of obligations under finance lease (Refer Note 34)	88.64	81.58
(b) Unsecured loans		
Other borrowings (from entities other than banks)	1.05	1.52
	<u>89.69</u>	<u>83.10</u>

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

6) DEFERRED TAX BALANCES

Major components of the deferred tax balances consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Deferred tax liabilities (net)		
(i) Foreign branch profit tax	217.88	160.27
(ii) Depreciation and amortisation	8.99	8.22
	<u>226.87</u>	<u>168.49</u>
(b) Deferred tax assets (net)		
(i) Depreciation and amortisation	(57.57)	(74.99)
(ii) Employee benefits	152.74	126.96
(iii) Provision for doubtful receivables, loans and advances	93.68	67.03
(iv) Operating lease liabilities	55.47	34.37
(v) Others	29.26	(5.14)
	<u>273.58</u>	<u>148.23</u>

7) OTHER LONG - TERM LIABILITIES

Other long - term liabilities consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Capital creditors	92.27	54.34
(b) Operating lease liabilities	254.18	147.72
(c) Others	343.99	49.81
	<u>690.44</u>	<u>251.87</u>

8) LONG - TERM PROVISIONS

Long - term provisions consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits :		
(i) Gratuity	137.70	237.78
(ii) Others	31.23	31.74
(b) Provision for other payables	110.68	-
	<u>279.61</u>	<u>269.52</u>

Notes forming part of the Financial Statements

9) SHORT – TERM BORROWINGS

Short - term borrowings consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
Secured Loans		
From Banks		
Overdraft	-	80.02
	-	80.02
	-	80.02

Bank Overdrafts are secured against book debts.

10) OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Current maturities of long-term debt	0.47	1.24
(b) Current maturities of obligations under finance lease (Refer Note 34)	25.32	7.58
(c) Interest accrued but not due on borrowings	0.03	0.05
(d) Income received in advance	753.74	683.59
(e) Unpaid dividends	13.49	9.81
(f) Advance received from customers	21.96	46.46
(g) Operating lease liabilities	26.26	14.54
(h) Other payables	1619.05	1409.44
	2460.32	2172.71
Other payables comprises of :		
Fair value of foreign exchange forward and currency option contracts secured against trade receivables	22.95	57.86
Statutory liabilities	585.98	498.96
Capital creditors	418.74	226.35
Class action suit settlement consideration	-	161.63
Others	591.38	464.64

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

11) SHORT - TERM PROVISIONS

Short - term provisions consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits	761.99	639.95
(b) Others		
(i) Proposed final dividend on equity shares	3917.46	2544.39
(ii) Proposed dividend on redeemable preference shares	28.76	19.00
(iii) Tax on dividend	670.66	435.65
(iv) Current income taxes (net)	411.35	257.15
(v) Provision for other payables	37.61	-
	5827.83	3896.14

Provisions for employee benefits include provision for compensated absences and other short-term employee benefits.

12) FIXED ASSETS

Notes forming part of the Financial Statements

Fixed assets consist of the following:

(i) Tangible assets

(₹ crores)

Description	Freehold land	Leasehold land	Freehold buildings	Factory buildings	Leasehold buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Electrical installations	Total
Gross Block as at April 1, 2013	325.57	193.97	2622.72	2.77	9.81	769.50	10.67	540.15	22.12	1032.00	2818.87	759.37	9107.52
Additions	315.95	92.60	1935.18	2.77	9.81	690.29	10.65	407.18	19.08	827.83	2317.13	581.92	7210.39
Deletions / Adjustments	0.64	15.51	515.01	-	-	229.72	-	219.76	5.11	299.89	766.19	197.45	2249.28
	9.62	103.62	687.83	-	-	87.08	0.02	129.34	4.80	207.15	558.49	174.26	1962.21
	-	-	-	-	-	(22.49)	(0.38)	(5.18)	(2.22)	(13.55)	(120.91)	(14.06)	(178.79)
	-	(2.25)	(0.29)	-	-	(7.87)	-	3.63	(1.76)	(2.98)	(56.75)	3.19	(65.08)
Gross Block as at March 31, 2014	326.21	209.48	3137.73	2.77	9.81	976.73	10.29	754.73	25.01	1318.34	3464.15	942.76	11178.01
Accumulated depreciation as at April 1, 2013	325.57	193.97	2622.72	2.77	9.81	769.50	10.67	540.15	22.12	1032.00	2818.87	759.37	9107.52
Depreciation for the year	-	(12.58)	(451.33)	(1.23)	(8.34)	(405.62)	(10.60)	(447.48)	(13.13)	(426.63)	(1966.49)	(304.61)	(4048.04)
Deletions / Adjustments	-	(12.68)	(356.15)	(1.03)	(7.81)	(317.68)	(10.55)	(347.61)	(12.23)	(324.35)	(1578.08)	(230.06)	(3198.23)
	-	(2.87)	(126.64)	(0.20)	(0.21)	(93.75)	(0.05)	(187.88)	(2.81)	(113.26)	(449.53)	(88.10)	(1065.30)
	-	(2.14)	(95.28)	(0.20)	(0.53)	(78.96)	(0.05)	(93.27)	(2.38)	(94.19)	(356.76)	(71.75)	(795.51)
	-	-	0.01	-	0.02	(13.61)	0.38	(30.25)	0.15	(49.38)	(67.92)	(16.98)	(177.58)
	-	2.24	0.10	-	-	(8.98)	-	(6.60)	1.48	(8.09)	(31.65)	(2.80)	(54.30)
Accumulated depreciation as at March 31, 2014	-	(15.45)	(577.96)	(1.43)	(8.53)	(512.98)	(10.27)	(665.61)	(15.79)	(589.27)	(2483.94)	(409.69)	(5290.92)
	-	(12.58)	(451.33)	(1.23)	(8.34)	(405.62)	(10.60)	(447.48)	(13.13)	(426.63)	(1966.49)	(304.61)	(4048.04)
Net book value as at March 31, 2014	326.21	194.03	2559.77	1.34	1.28	463.75	0.02	89.12	9.22	729.07	980.21	533.07	5887.09
	325.57	181.39	2171.39	1.54	1.47	363.88	0.07	92.67	8.99	605.37	852.38	454.76	5059.48

Notes forming part of the Financial Statements

12) FIXED ASSETS (Contd.)

Fixed assets consist of the following:

(ii) Intangible assets

(₹ in crores)

Description	Intellectual property / Distribution rights	Rights under licensing agreement	Total
Gross Block as at April 1, 2013	12.63	63.21	75.84
	12.63	59.00	71.63
Additions	0.58	60.96	61.54
	-	4.21	4.21
Deletions / Adjustments	-	0.34	0.34
	-	-	-
Gross Block as at March 31, 2014	13.21	124.51	137.72
	12.63	63.21	75.84
Accumulated amortisation as at April 1, 2013	(11.82)	(19.22)	(31.04)
	(11.44)	(8.73)	(20.17)
Amortisation for the year	(0.61)	(14.64)	(15.25)
	(0.38)	(6.97)	(7.35)
Deletions / Adjustments	-	(49.33)	(49.33)
	-	(3.52)	(3.52)
Accumulated amortisation as at March 31, 2014	(12.43)	(83.19)	(95.62)
	(11.82)	(19.22)	(31.04)
Net book value as at March 31, 2014	0.78	41.32	42.10
	0.81	43.99	44.80

(iii) Capital work-in-progress

(₹ in crores)

Description	Total
Capital work-in-progress	3047.53
	1763.85

- (a) Additions include Fixed Assets of ₹ 512.45 crores transferred on the amalgamation of TCS e-Serve Limited and TCS e-Serve International Limited (erstwhile subsidiaries of the Company), with the Company.
- (b) Deletions / Adjustments in respect of depreciation include ₹ 410.29 crores being the amount of accumulated depreciation transferred on the amalgamation of TCS e-Serve Limited and TCS e-Serve International Limited (erstwhile subsidiaries of the Company), with the Company.
- (c) Freehold buildings include ₹ 2.67 crores (March 31, 2013 : ₹ 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- (d) Leasehold improvements under finance lease have a net book value of ₹ 67.13 crores (March 31, 2013: ₹ 77.60 crores)
- (e) Computer equipment under finance lease have a net book value of ₹ 30.54 crores (March 31, 2013: ₹ Nil)
- (f) Legal formalities relating to conveyance of freehold building having net book value ₹ 9.81 crores (March 31, 2013 : ₹ 10.73 crores) are pending completion.

Notes forming part of the Financial Statements

13) NON - CURRENT INVESTMENTS

Non - current investments consist of the following:

				(₹ crores)	
In Numbers	Currency	Face Value Per share	Description	As at March 31, 2014	As at March 31, 2013
(A) TRADE INVESTMENTS (at cost)					
(i) Subsidiary companies					
(a) Fully paid equity shares (quoted)					
1,54,89,922	INR	10	CMC Limited	379.89	379.89
(b) Fully paid equity shares (unquoted)					
2,08,19,92,200	Peso	1	TCS Iberoamerica S.A.	461.31	461.31
15,75,300	INR	10	APOnline Limited	-	-
1,300	EUR	-	Tata Consultancy Services Belgium S.A.	1.06	1.06
66,000	EUR	1000	Tata Consultancy Services Netherlands B.V.	402.87	402.87
1,000	SEK	100	Tata Consultancy Services Sverige AB	18.89	18.89
1	EUR	-	Tata Consultancy Services Deutschland GmbH	1.72	1.72
20,000	USD	10	Tata America International Corporation	452.92	452.92
75,82,820	SGD	1	Tata Consultancy Services Asia Pacific Pte Ltd.	18.69	18.69
10,48,500	INR	10	WTI Advanced Technology Limited	38.52	38.52
3,72,58,815	AUD	1	TCS FNS Pty Limited	211.72	211.72
10,00,001	GBP	1	Diligenta Limited	429.05	429.05
1,000	USD	-	Tata Consultancy Services Canada Inc *	-	-
100	CAD	70653.61	Tata Consultancy Services Canada Inc.	31.25	31.25
51,00,000	INR	10	C-Edge Technologies Limited	5.10	5.10
8,90,000	INR	10	MP Online Limited	0.89	0.89
14,76,000	Dirhams	10	Tata Consultancy Services Morocco SARL AU	8.17	8.17
84,00,000	RAND	1	Tata Consultancy Services (Africa) (PTY) Ltd.	4.92	4.92
-	INR	-	TCS E-Serve Limited (Shares cancelled on amalgamation)	-	2426.20
18,89,000	INR	10	MahaOnline Limited	1.89	1.89
-	QAR	-	Tata Consultancy Services Qatar S.S.C.	2.44	2.44
1	USD	1	Computational Research Laboratories Inc.*	-	-
10,00,000	INR	100	TCS E-serve International Limited (10,00,000 shares transferred during the year on amalgamation)	10.00	-
(c) Fully paid preference shares (unquoted)					
3,60,00,000	GBP	1	Diligenta Limited 10% cumulative redeemable preference shares (60,00,000 cumulative preference shares redeemed during the year)	359.45	363.04
(ii) Others					
(a) Fully paid equity shares (unquoted)					
4,63,865	USD	0.001	Yodlee, Inc.	-	-
25,00,000	INR	10	National Power Exchange Limited	2.50	2.50
190,00,000	INR	10	Taj Air Limited	19.00	19.00
69	EUR	297	ALMC HF *	-	-
20,00,000	INR	10	KOOH Sports Private Limited	3.00	3.00

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Notes forming part of the Financial Statements

13) NON - CURRENT INVESTMENTS (Contd.)

(₹ crores)

In Numbers	Currency	Face Value Per share	Description	As at March 31, 2014	As at March 31, 2013
1	INR	10	Ruralshores Business Services Private Limited* (1 share subscribed during the year)	-	-
			(b) Fully paid preference shares (unquoted)		
4,86,617	INR	10	Ruralshores Business Services Private Limited (486,617 shares subscribed during the year)	25.00	-
			(B) OTHERS		
			(i) Mutual and other funds (unquoted)		
1,000	INR	100000	India Innovation Fund (₹ 63,554 paid up per share)	6.36	5.26
			(ii) Government securities (unquoted)		
25,00,000	INR	100	8.26% Government of India Bond (2027)	25.00	-
			(iii) Bonds and Debentures (unquoted)		
			The Industrial Development Bank of India		
10	INR	100000	8.00% Bonds (2018)	0.10	0.10
			Infrastructure Development Finance Company Limited		
1,000	INR	1000000	9.225% non-convertible debentures (2015)	98.08	-
200	INR	1000000	8.49% non-convertible debentures (2016)	19.05	-
500	INR	1000000	9.15% non-convertible debentures (2016)	48.63	-
			LIC Housing Finance Limited		
300	INR	1000000	8.76% non-convertible debentures (2015)	29.36	-
1,000	INR	1000000	9.02% non-convertible debentures (2015)	97.32	-
300	INR	1000000	9.21% non-convertible debentures (2015)	29.35	-
250	INR	1000000	9.38% non-convertible debentures (2015)	24.36	-
500	INR	1000000	9.39% non-convertible debentures (2015)	49.25	-
750	INR	1000000	9.60% non-convertible debentures (2015)	73.83	-
150	INR	1000000	9.62% non-convertible debentures (2015)	14.76	-
100	INR	1000000	9.62% non-convertible debentures (2015)	9.92	-
250	INR	1000000	9.90% non-convertible debentures (2015)	24.70	-
50	INR	1000000	9.75% non-convertible debentures (2015)	4.93	-
200	INR	1000000	9.75% non-convertible debentures (2016)	19.85	-
			Panatone Finvest Limited		
2,000	INR	1000000	9.50% non-convertible debentures (2016)	200.00	200.00
			Power Finance Corporation Limited		
250	INR	1000000	9.46% Bonds (2015)	24.45	-
			State Bank of India		
334	INR	1000000	9.05% Bonds (2020)	33.40	-
			Tata Capital Housing Finance Limited		
250	INR	1000000	10.05% non-convertible debentures (2017)	25.00	-
			Tata Chemicals Limited		
250	INR	1000000	10.00% non-convertible debentures (2019)	25.00	-
			Tata Housing Development Company Limited		
700	INR	1000000	10.20% non-convertible debentures (2017)	66.98	-
			Tata Motors Limited		
1,000	INR	1000000	9.05% non-convertible debentures (2015)	96.84	-

Notes forming part of the Financial Statements

13) NON - CURRENT INVESTMENTS (Contd.)

(₹ crores)

In Numbers	Currency	Face Value Per share	Description	As at March 31, 2014	As at March 31, 2013
450	INR	1000000	9.15% non-convertible debentures (2015)	43.67	-
250	INR	1000000	9.22% non-convertible debentures (2015)	24.10	-
750	INR	1000000	9.69% non-convertible debentures (2019)	75.00	75.00
1,250	INR	1000000	10.00% non-convertible debentures (2019)	125.00	125.00
Tata Sons Limited					
550	INR	1000000	8.80% non-convertible debentures (2015)	53.48	-
1,450	INR	1000000	9.98% non-convertible debentures (2015)	144.78	90.00
50	INR	1000000	9.30% non-convertible debentures (2015)	4.89	-
600	INR	1000000	9.67% non-convertible debentures (2015)	58.95	-
1,750	INR	1000000	9.78% non-convertible debentures (2015)	172.80	50.00
70	INR	1000000	9.75% non-convertible debentures (2016)	7.00	-
1,300	INR	1000000	9.68% non-convertible debentures (2017)	127.12	-
200	INR	1000000	9.85% non-convertible debentures (2017)	19.76	-
870	INR	1000000	9.87% non-convertible debentures (2017)	86.61	62.00
1,150	INR	1000000	9.87% non-convertible debentures (2017)	114.44	90.00
500	INR	1000000	8.85% non-convertible debentures (2018)	47.35	-
500	INR	1000000	8.97% non-convertible debentures (2020)	50.00	-
150	INR	1000000	9.10% non-convertible debentures (2020)	15.00	-
Housing Urban Development Corporation Limited					
-	INR	-	10.00% Bonds (2014)	-	1.50
ALMC HF					
69	EUR	297	0% Bonds (2014)	0.12	0.12
				5106.84	5984.02
Provision for diminution in value of investments				(8.29)	(8.29)
				5098.55	5975.73
Book value of quoted investments				379.89	379.89
Book value of unquoted investments (net of provision)				4718.66	5595.84
Market value of quoted investments				2151.32	2093.70

* Non-current investments having a value of less than ₹ 50,000.

The Company has given an undertaking to the Government of Maharashtra not to divest its shareholding in MahaOnline Limited except to an affiliate. This equity investment is subject to the restriction as per terms of contractual agreement. The restriction is valid as on March 31, 2014.

The Company has given an undertaking to the investors of KOOH Sports Private Limited not to transfer its shareholding prior to the expiry of thirty-six months from the completion date of the investment agreement except with the prior written consent of the other parties to the agreement. The restriction is valid as on March 31, 2014.

The Company has given letter of comfort to various banks for credit facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Switzerland Ltd, (c) Tata Consultancy Services Sverige AB, (d) Tata Consultancy Services Belgium S.A., (e) Tata Consultancy Services Deutschland GmbH, (f) TCS Italia SRL, (g) Tata Consultancy Services France SAS, (h) Tata Consultancy Services Asia Pacific Pte Ltd, (i) Tata Consultancy Services Malaysia Sdn Bhd and (j) Tata Consultancy Services Japan Ltd. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiaries and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

Tata Consultancy Services Morocco SARL AU, a wholly owned subsidiary, is in the process of being voluntarily liquidated.

On June 28, 2013, Tata Consultancy Services Netherlands BV, a wholly owned subsidiary of the Company, has acquired 100 percent share capital of Alti S.A., an information technology services company in France along with its subsidiaries.

Notes forming part of the Financial Statements

14) LONG - TERM LOANS AND ADVANCES

Long - term loans and advances (unsecured) consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Considered good		
(i) Capital advances	351.99	476.44
(ii) Security deposits	548.23	449.06
(iii) Loans and advances to employees	7.04	7.82
(iv) Loans and advances to related parties	138.41	58.92
(v) Advance tax (including refunds receivable (net))	2913.02	1459.78
(vi) MAT Credit entitlement	1810.61	1772.31
(vii) Other loans and advances	1106.24	405.88
(b) Considered doubtful		
(i) Security Deposits	0.15	-
(ii) Loans and advances to related parties	19.37	20.22
Less : Provision for doubtful loans and advances	(19.52)	(20.22)
	6875.54	4630.21
Loans and advances to related parties, considered good, comprise:		
Tata Sons Limited	2.74	2.74
TCS FNS Pty Limited	10.02	10.19
CMC Limited	0.26	0.60
Tata Realty And Infrastructure Limited	45.39	45.39
Tata Capital Financial Services Limited	80.00	-
Other loans and advances comprise:		
Indirect tax recoverable	54.76	52.30
Inter - corporate deposits	858.00	-
Other amounts recoverable in cash or kind for value to be received	193.48	353.58
Loans and advances to related parties, considered doubtful, comprise:		
Tata Consultancy Services Morocco SARL AU	19.37	20.22

15) OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Interest receivable	34.52	29.30
(b) Long - term bank deposits	1477.00	1851.90
(c) Earmarked balances with banks	25.00	-
(d) Others	8.47	-
	1544.99	1881.20

Others include discount on bonds and debentures receivable on maturity.

Notes forming part of the Financial Statements

16) CURRENT INVESTMENTS

Current investments consist of the following:

(₹ crores)

In Numbers	Currency	Face Value Per share	Description	As at March 31, 2014	As at March 31, 2013
(A) TRADE INVESTMENTS (at cost)					
Fully paid preference shares (unquoted)					
			APOne Limited	-	2.80
-	INR	-	6% cumulative redeemable preference shares		
(B) OTHERS					
(i) Mutual and other funds (unquoted)					
-	INR	-	TATA Liquid Super High Investment Fund	-	7.72
60,00,000	INR	10	HDFC Debt Fund for Cancer Cure - 50% Dividend Donation Option	6.00	3.00
(ii) Bonds and Debentures (unquoted)					
Housing Development Finance Corporation Limited					
353	INR	1000000	9.20% non-convertible debentures (2015)	34.83	-
Housing Urban Development Corporation Limited					
15	INR	1000000	10.00% Bonds (2014)	1.50	-
The Industrial Development Bank of India					
-	INR	-	8.00% Bonds (2013)	-	1.80
Infrastructure Development Finance Company Limited					
500	INR	1000000	9.20% non-convertible debentures (2015)	49.20	-
750	INR	1000000	9.36% non-convertible debentures (2015)	73.42	-
LIC Housing Finance Limited					
200	INR	1000000	9.80% non-convertible debentures (2015)	19.84	-
National Housing Bank					
400	INR	1000000	9.37% Bonds (2015)	39.15	-
Power Finance Corporation Limited					
350	INR	1000000	8.60% non-convertible debentures (2014)	34.26	-
700	INR	1000000	8.85% non-convertible debentures (2014)	68.15	-
1,000	INR	1000000	9.63% Bonds (2014)	98.19	-
500	INR	1000000	9.55% Bonds (2015)	49.03	-
Rural Electrification Corporation					
200	INR	1000000	8.84% Bonds (2014)	19.45	-
Tata Motors Limited					
400	INR	1000000	9.85% non-convertible debentures (2015)	39.43	-
Tata Sons Limited					
-	INR	-	8.50% non-convertible debentures (2014)	-	333.33
250	INR	1000000	10.25% non-convertible debentures (2014)	25.00	-
1,650	INR	1000000	9.78% non-convertible debentures (2015)	164.13	-
Pre-acquisition interest				12.29	-
				733.87	348.65

Notes forming part of the Financial Statements

17) INVENTORIES

Inventories consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Raw materials, sub-assemblies and components	7.23	5.63
(b) Finished goods and Work-in-progress	0.61	0.54
(c) Goods-in-transit (raw materials)	0.73	0.17
	8.57	6.34

Inventories are carried at the lower of cost and net realisable value.

18) UNBILLED REVENUE

Unbilled revenue as at March 31, 2014 amounting to ₹ 2626.08 crores (March 31, 2013: ₹ 2303.35 crores) primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis of ₹ 1987.30 crores (March 31, 2013: ₹ 1509.25 crores).

19) TRADE RECEIVABLES

Trade receivables (Unsecured) consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Over six months from the date they were due for payment		
(i) Considered good	1658.48	1557.94
(ii) Considered doubtful	224.68	146.92
(b) Others		
(i) Considered good	12813.41	9644.38
	14696.57	11349.24
Less: Provision for doubtful receivables	(224.68)	(146.92)
	14471.89	11202.32

20) CASH AND BANK BALANCES

Cash and bank balances consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	264.69	192.48
In deposit accounts with original maturity less than 3 months	141.85	103.77
(ii) Cheques on hand	14.81	17.25
(iii) Cash on hand	1.00	0.77
(iv) Remittances in transit	16.02	9.58
	438.37	323.85
(b) Other Bank balances		
(i) Earmarked balances with banks	14.99	10.53
(ii) Short - term bank deposits	12112.90	3719.78
	12566.26	4054.16

Balances with banks in current accounts do not include two bank accounts (March 31, 2013: fourteen bank accounts) having a balance of ₹ Nil (March 31, 2013: ₹ 1.35 crores) operated by the Company on behalf of a third party.

Notes forming part of the Financial Statements

21) SHORT - TERM LOANS AND ADVANCES

Short – term loans and advances (Unsecured) consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Considered good		
(i) Loans and advances to employees	260.20	162.54
(ii) Loans and advances to related parties	348.71	107.20
(iii) Other loans and advances	3079.21	4463.64
(b) Considered doubtful		
(i) Loans and advances to employees	42.28	36.19
(ii) Other loans and advances	9.96	4.40
Less : Provision for doubtful loans and advances	(52.24)	(40.59)
	3688.12	4733.38
Loans and advances to related parties, considered good, comprise:		
TCS FNS Pty Limited	39.46	49.46
Tata Realty and Infrastructure Limited	50.00	50.00
CMC America Inc.	0.01	-
Tata Consultancy Services Asia Pacific Pte Ltd.	1.02	-
CMC Limited	0.68	3.48
Tata Teleservices Limited	-	0.04
Tata AIG General Insurance Company Limited	0.02	-
Tata Capital Financial Services Limited	200.00	-
Tata Teleservices (Maharashtra) Limited	-	0.01
Infiniti Retail Limited	0.04	-
Tata Housing Development Company Limited	50.00	-
Tata Consultancy Services Qatar S.S.C	-	0.01
TCS e-Serve Limited	-	3.98
Tata Consultancy Services (Africa) (PTY) Ltd.	-	0.22
C-Edge Technologies Limited	7.48	-
Other loans and advances, considered good, comprise:		
Security deposits	63.07	93.65
Inter - corporate deposits	1500.00	3116.77
Indirect tax recoverable	183.88	151.95
Fair value of foreign exchange forward and currency option contracts	346.34	178.51
Advance to suppliers	56.40	34.04
Other amounts recoverable in cash or kind for value to be received	929.52	888.72
Other loans and advances, considered doubtful, comprise:		
Security deposits	3.11	2.30
Advance to suppliers	3.89	1.27
Other amounts recoverable in cash or kind for value to be received	2.96	0.83

22) OTHER CURRENT ASSETS

Other current assets consist of the following:

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
(a) Interest receivable	715.61	667.74
(b) Dividend receivable	19.25	-
(c) Others	5.16	14.60
	740.02	682.34

Others include discount on bonds and debentures receivable on maturity.

Notes forming part of the Financial Statements

23) REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

(₹ crores)

	2014	2013
(a) Information technology and consultancy services	63332.83	46874.72
(b) Sale of equipment and software licenses	1340.10	1551.42
	64672.93	48426.14

24) OTHER INCOME (NET)

Other income (net) consist of the following:

(₹ crores)

	2014	2013
(a) Interest income	1280.07	837.02
(b) Dividend income	1610.95	1108.88
(c) Profit on redemption of mutual funds and sale of other investments (net)	162.77	20.23
(d) Rent	4.70	3.08
(e) Profit on sale of fixed assets (net)	2.01	0.66
(f) Exchange gain (net)	5.00	223.05
(g) Miscellaneous income	49.21	37.47
	3114.71	2230.39
Interest income comprise:		
Interest on bank deposits	676.84	515.47
Interest on inter - corporate deposits	330.50	186.03
Interest on long - term bonds and debentures	254.05	108.17
Interest on loan given to subsidiary	2.48	5.77
Other interest	16.20	21.58
Dividend income comprise:		
Dividends from subsidiaries (non-current trade investments)	1610.60	1107.40
Dividends from other non-current investments (trade investments)	-	0.63
Dividends from mutual funds (current investments)	0.35	0.85
Exchange gain (net) include:		
Loss on foreign exchange forward and currency option contracts which have been designated as Cash Flow Hedges (Refer Note 39)	(749.49)	(246.46)

25) EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

(₹ crores)

	2014	2013
(a) Salaries and incentives	19039.28	15067.12
(b) Contributions to -		
(i) Provident fund (Refer Note 30)	514.91	430.24
(ii) Superannuation scheme	136.29	106.36
(iii) Gratuity fund (Refer Note 30)	130.02	139.07
(iv) Social security and other plans for overseas employees	382.66	294.65
(c) Staff welfare expenses	1263.40	1044.28
	21466.56	17081.72

Notes forming part of the Financial Statements

26) OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

(₹ crores)

	2014	2013
(a) Overseas business expenses	10149.37	7487.55
(b) Services rendered by business associates and others	4398.42	3653.10
(c) Software, hardware and material costs	2442.64	2244.88
(d) Communication expenses	529.48	417.27
(e) Travelling and conveyance expenses	671.40	485.32
(f) Rent	1044.05	792.60
(g) Legal and professional fees	277.84	242.69
(h) Repairs and maintenance	404.36	271.93
(i) Electricity expenses	463.25	375.61
(j) Bad debts written off	2.37	15.64
(k) Provision for doubtful receivables	68.26	17.81
(l) Provision for doubtful advances	8.78	16.89
(m) Advances (recovered) / written off	(0.12)	2.54
(n) Recruitment and training expenses	205.06	166.06
(o) Commission and brokerage	30.63	35.07
(p) Printing and stationery	40.91	24.99
(q) Insurance	22.32	17.02
(r) Rates and taxes	79.05	75.66
(s) Entertainment	40.04	29.57
(t) Other expenses (Refer Note 36)	794.54	665.95
	21672.65	17038.15
(i) Overseas business expenses comprise:		
Travel expenses	833.09	669.68
Employee allowances	9316.28	6817.87
(ii) Repairs and maintenance comprise:		
Buildings	207.17	123.27
Office and computer equipment	197.19	148.66
(iii) Software, hardware and material costs include:		
Material costs		
(a) Raw materials, sub-assemblies and components consumed	39.77	25.02
(b) Opening stock:		
Finished goods and work-in-progress	0.54	0.54
(c) Less: Closing stock:		
Finished goods and work-in-progress	0.61	0.54
	(0.07)	-
	39.70	25.02
(iv) Other expenses include:		
Stores and spare parts consumed	0.02	0.02

Notes forming part of the Financial Statements**27) FINANCE COSTS**

Finance costs consist of the following:

(₹ crores)

	2014	2013
Interest expense	23.41	30.62
	23.41	30.62

- 28)** Current tax includes additional provision (net) of ₹ 467.62 crores (March 31, 2013: additional provision (net) ₹ 39.12 crores) in domestic and certain overseas jurisdictions relating to earlier years, of which the impact on MAT entitlement of earlier period is ₹ 451.92 crores (March 31, 2013 : ₹ 128.97 crores).

29) AMALGAMATION OF COMPANIES

a) Nature of business

TCS e-Serve Limited is engaged in the business of providing information technology enabled services, business process outsourcing services (BPO) for its customers primarily in the Banking, Financial services and Insurance domain. The Company holds 96.26% of the voting power of TCS e-Serve limited. TCS e-Serve Limited has two wholly owned subsidiaries: TCS e-Serve International Limited and TCS e-Serve America Inc.

- b) TCS e-Serve Limited has been amalgamated with the Company with effect from April 1, 2013 in terms of the composite scheme of amalgamation (Scheme) sanctioned by the High Court of Judicature at Bombay vide their Order dated September 6, 2013. The Scheme came into effect on October 1, 2013 and pursuant thereto all assets, unbilled revenue, debts, outstandings, credits, liabilities, benefits under income tax, service tax, excise, value added tax, sales tax (including deferment of sales tax), benefits for and under Software Technology Parks of India (STPI), duties and obligations of the TCS e-Serve Limited, have been transferred to and vested in the Company retrospectively with effect from April 1, 2013.

Pursuant to the Scheme coming into effect, all the equity shares held by the Company in TCS e-Serve Limited shall stand automatically cancelled and remaining shareholders of TCS e-Serve Limited holding fully paid up equity shares shall be allotted thirteen shares of ₹ 1 each in the company, credited as fully paid up, for every four equity shares of ₹ 10 each fully paid up held in the capital of TCS e-Serve Limited by adjusting the General reserve.

- c) The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS-14) notified under Section 211(3C) of the Companies Act, 1956. Accordingly, the assets, liabilities and reserves of TCS e-Serve Limited as at April 1, 2013 have been taken over at their book values and in the same form.

The difference between the amounts recorded as investments of the Company and the amount of Share Capital of the TCS e-Serve Limited has been adjusted in the General Reserve.

- d) The Scheme also proposes the de-merger of SEZ undertaking of TCS e-Seve International Limited (TEIL) into the Company. Upon coming into effect of this Scheme and with effect from April 1, 2013, all assets, unbilled revenue, debts, outstandings, credits, liabilities, benefits under income tax, service tax, excise, value added tax, sales tax (including deferment of sales tax), benefits for and under special economic zone (SEZ) registrations, duties and obligations of TEIL SEZ undertaking shall vest in or deemed to be transferred to the Company as a going concern.

Notes forming part of the Financial Statements

Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarized values:

(₹ crores)

Particulars	Amalgamation of TCS e-Serve Limited	Demerger of TCS e-Serve International Limited SEZ undertaking	Total
Appointed date	April 1, 2013	April 1, 2013	
Assets			
Fixed Assets (Net)	48.77	54.09	102.86
Deferred tax asset (net)	42.20	2.59	44.79
Unbilled revenue	1.74	0.15	1.89
Trade receivables	285.52	109.69	395.21
Cash and bank balances	786.32	-	786.32
Investments	264.56	-	264.56
Loans and advances and other assets	1461.93	25.30	1487.23
Less: Liabilities			
Trade payables, other liabilities and provisions	230.10	67.22	297.32
Total net assets acquired	2660.94	124.60	2785.54
Adjustment for:			
Dividend on equity shares paid by TCS e-Serve Limited to the Company post appointed date	59.68	-	59.68
	2720.62	124.60	2845.22
Less:			
Issue of shares (15,06,983 equity shares of company in the ratio of 13 equity shares of the Company for every 4 equity shares of the TCS e-Serve Limited)	0.15	-	0.15
Adjustment for cancellation of Company's investment in TCS e-Serve Limited	2426.20	-	2426.20
Adjustment for tax indemnification liability	263.87	-	263.87
	30.40	124.60	155.00
Less: Transfer of securities premium reserve of TCS e-Serve Limited	0.40	-	0.40
Add: Transfer of hedging reserve of TCS e-Serve Limited	(8.33)	-	(8.33)
Less: Transfer of balances of Surplus in Statement of Profit and Loss account of TCS e-Serve Limited	2375.22	-	2375.22
Add: Adjustment for alignment of accounting policies	(10.89)	-	(10.89)
Balance transferred to general reserve as at appointed date	(2326.00)	124.60	(2201.40)

30) RETIREMENT BENEFIT PLANS

(a) Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year it is incurred.

The Company recognised ₹ 514.91 crores (March 31, 2013: ₹ 430.24 crores) for provident fund contributions and ₹ 136.29 crores (March 31, 2013: ₹ 106.36 crores) for superannuation contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company has contributed ₹ 177.75 crores (March 31, 2013: ₹ 123.86 crores) towards foreign defined contribution plans.

Notes forming part of the Financial Statements

(b) Defined benefit plans

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for service less than 15 years, three-fourth month's salary for service of 15 years to 19 years and one month salary for service of 20 years and more, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2014.

(₹ crores)		
	As at March 31, 2014	As at March 31, 2013
i) Change in benefit obligations:		
Project benefit obligation, beginning of the year	830.16	679.25
Service cost	151.72	112.16
Interest cost	68.46	62.54
Liabilities transferred on amalgamation	21.58	0.61
Actuarial (gain) / loss	(21.14)	16.50
Benefits paid	(67.48)	(40.90)
Past service cost	3.92	-
Projected benefit obligation, end of the year	987.22	830.16
ii) Change in plan assets:		
Fair value of plan assets, beginning of the year	593.50	542.04
Expected return on plan assets	51.04	47.46
Employers' contributions	227.88	40.90
Assets transferred on amalgamation	22.68	-
Benefits paid	(67.48)	(40.90)
Actuarial gain	21.90	4.00
Fair value of plan assets, end of the year	849.52	593.50
Excess of obligation over plan assets	(137.70)	(236.66)
Accrued liability	(137.70)	(236.66)

(₹ crores)		
	2014	2013
iii) Net gratuity and other cost:		
Service cost	151.72	112.16
Interest on defined benefit obligation	68.46	62.54
Expected return on plan assets	(51.04)	(47.46)
Net Actuarial (gains)/ losses recognised in the year	(43.04)	12.50
Past service cost	3.92	-
Net gratuity and other cost	130.02	139.74
Actual return on plan assets	72.94	51.46

(₹ crores)		
	As at March 31, 2014	As at March 31, 2013
iv) Category of assets:		
Insurer managed funds	849.49	593.43
Others	0.04	0.07
Total	849.53	593.50

(₹ crores)		
	As at March 31, 2014	As at March 31, 2013
v) Assumptions used in accounting for gratuity plan:		
	%	%
Discount rate	9.00	8.00
Salary escalation rate	6.00	6.00
Expected rate of return on plan assets	9.00	8.60

Notes forming part of the Financial Statements

The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risk of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

(₹ crores)

	2014	2013	2012	2011	2010
Experience adjustment					
On plan liabilities	(56.09)	(18.10)	43.75	35.00	4.93
On plan assets	21.90	4.00	6.63	5.67	3.91
Present value of benefit obligation	987.22	830.16	679.25	552.80	452.49
Fair value of plan assets	849.52	593.50	542.04	494.42	420.14
Excess of obligation over plan assets	(137.70)	(236.66)	(137.21)	(58.38)	(32.35)

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2014. The Company is expected to contribute ₹ 288.77 crores for the year ended March 31, 2015

31) SEGMENT REPORTING

The Company has identified business segments (industry practice) as its primary segment and geographic segments as its secondary segment.

Business segments are primarily financial services comprising customers providing banking, finance and insurance services, manufacturing companies, companies in retail and consumer packaged goods industries, companies in telecommunication, media and entertainment and others such as energy, resources and utilities, Hi-tech industry practice, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Americas (including Canada and South American countries), Europe, India and Others.

Year ended March 31, 2014

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Revenue	26574.48	5675.56	9705.09	8070.53	14647.27	64672.93
	18682.55	4170.77	7369.87	6540.74	11662.21	48426.14
Segment result	9708.21	1798.36	3258.34	2440.33	4328.48	21533.72
	5902.33	1157.83	2327.61	1733.57	3184.93	14306.27
Unallocable expenses (net)						1103.96
						833.48
Operating income						20429.76
						13472.79
Other income (net)						3114.71
						2230.39
Profit before tax						23544.47
						15703.18
Tax expenses						5069.55
						2916.84
Profit for the year						18474.92
						12786.34

TATA CONSULTANCY SERVICES LIMITED

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Notes forming part of the Financial Statements

As at March 31, 2014

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Segment assets	5534.01	1518.29	2366.27	2729.88	5653.86	17802.31
	<i>4559.27</i>	<i>1194.70</i>	<i>1640.52</i>	<i>2185.93</i>	<i>4655.03</i>	<i>14235.45</i>
Unallocable assets						39801.88
						<i>28598.59</i>
Total assets						57604.19
						<i>42834.04</i>
Segment liabilities	774.45	135.37	114.71	145.11	505.71	1675.35
	<i>674.88</i>	<i>96.86</i>	<i>83.75</i>	<i>158.72</i>	<i>469.42</i>	<i>1483.63</i>
Unallocable liabilities						11876.96
						<i>8788.16</i>
Total liabilities						13552.31
						<i>10271.79</i>

Year ended March 31, 2014

Other Information

Capital Expenditure (unallocable)						3594.50
						<i>2330.45</i>
Depreciation and amortisation (unallocable)						1080.55
						<i>802.86</i>
Other significant non cash expense (allocable)	9.67	2.90	1.96	27.12	37.64	79.29
	<i>7.76</i>	<i>4.70</i>	<i>3.47</i>	<i>18.66</i>	<i>18.29</i>	<i>52.88</i>
Other significant non cash expense (net) (unallocable)						-
						-

The following geographic segments individually contribute 10 percent or more of the Company's revenues or segment assets:

(₹ crores)

Geographic segments	Revenue for the year ended March 31, 2014	Segment assets as at March 31, 2014
Americas	37315.21	7210.97
	<i>28077.52</i>	<i>5247.38</i>
Europe	17159.39	5856.30
	<i>11996.17</i>	<i>4081.90</i>
India	4420.91	4062.84
	<i>3810.44</i>	<i>3884.63</i>

Previous year's figures are in italics.

Notes forming part of the Financial Statements

32) RELATED PARTY DISCLOSURES

A) Related parties and their relationship

I) Holding Company

Tata Sons Limited

II)(A) Subsidiaries (Direct holding)

1. CMC Limited
2. Tata Consultancy Services Sverige AB
3. Tata Consultancy Services Asia Pacific Pte Ltd.
4. TCS Iberoamerica SA
5. Tata Consultancy Services Netherlands BV
6. TCS FNS Pty Limited
7. APOnline Limited
8. Tata America International Corporation
9. Tata Consultancy Services Belgium S.A.
10. Tata Consultancy Services Deutschland GmbH
11. WTI Advanced Technology Limited

II)(B) Subsidiaries (Indirect holding)

- i. CMC Americas Inc.
- ii. CMC e-Biz Inc
- i. Tata Consultancy Services Japan Ltd.
- ii. Tata Consultancy Services Malaysia Sdn Bhd
- iii. Tata Consultancy Services (China) Co., Ltd.
- iv. PT Tata Consultancy Services Indonesia
- v. Tata Consultancy Services (Thailand) Limited
- vi. Tata Consultancy Services (Philippines) Inc.
- vii. Nippon TCS Solution Center Limited
- viii. Tata Information Technology (Shanghai) Co. Limited (Amalgamated with Tata Consultancy services (China) Co., Ltd. w.e.f. November 5, 2013)
- i. TCS Solution Center S.A.
- ii. Tata Consultancy Services Argentina S.A.
- iii. Tata Consultancy Services De Mexico S.A., De C.V.
- iv. TCS Inversiones Chile Limitada
- v. Tata Consultancy Services Do Brasil Ltda
- vi. Tata Consultancy Services Chile S.A.
- vii. TATASOLUTION CENTER S.A
- viii. TCS Uruguay S.A.
- ix. MGDC S.C.
- i. Tata Consultancy Services Luxembourg S.A
- ii. Tata Consultancy Services Switzerland Ltd
- iii. Tata Consultancy Services France SAS
- iv. TCS Italia SRL
- v. Tata Consultancy Services Osterreich GmbH
- vi. Tata Consultancy Services Danmark ApS
- vii. Tata Consultancy Services De Espana S.A.
- viii. Tata Consultancy Services Portugal Unipessoal Limitada
- ix. Alti S.A. (w.e.f. June 28, 2013)
- x. Planaxis Technologies Inc. (w.e.f. June 28, 2013)
- xi. Alti HR S.A.S. (w.e.f. June 28, 2013)
- xii. Alti Infrastructures Systemes & Reseaux S.A.S. (w.e.f. June 28, 2013)
- xiii. Alti NV (w.e.f. June 28, 2013)
- xiv. TESCO (France) Software Systems Testing S.A.R.L. (w.e.f. June 28, 2013)
- xv. Alti Switzerland S.A. (w.e.f. June 28, 2013)
- xvi. Teamlink (w.e.f. June 28, 2013)
- i. TCS Financial Solutions Australia Holdings Pty Limited
- ii. TCS Financial Solutions Australia Pty Limited
- iii. PT Financial Network Services
- iv. TCS Management Pty Ltd.
- v. TCS Financial Solution (Beijing) Co. Ltd.
- i. MS CJV Investments Corporation

Notes forming part of the Financial Statements

- | | |
|---|--|
| 12. Tata Consultancy Services Canada Inc. | |
| 13. Diligenta Limited | i. Diligenta 2 Limited |
| 14. C-Edge Technologies Limited | |
| 15. MP Online Limited | |
| 16. Tata Consultancy Services Morocco SARL AU | |
| 17. Tata Consultancy Services (Africa)(PTY) Ltd. | i. Tata Consultancy Services (South Africa) (PTY) Ltd. |
| 18. TCS e-Serve International Limited | i. TCS e-Serve America, Inc |
| 19. TCS e-Serve Limited (Amalgamated w.e.f. April 1, 2013) | |
| 20. MahaOnline Limited | |
| 21. Tata Consultancy Services Qatar S. S. C. | |
| 22. Computational Research Laboratories Inc. | |
| 23. Computational Research Laboratories Limited (w.e.f. 16.08.2012 upto 30.09.2012) | |

III) Fellow Subsidiaries with whom the Company has transactions

- Infiniti Retail Limited
- Panatone Finvest Limited
- Tata AIG General Insurance Company Limited
- Tata AIA Life Insurance Company Limited
- Tata Investment Corporation Limited
- Tata Limited
- Tata Asset Management Limited
- Tata Business Support Services Limited
- Tata Capital Limited
- Tata Housing Development Company Limited
- Tata Consulting Engineers Limited
- Tata Sky Limited
- Tata Realty And Infrastructure Limited
- e-Nxt Financials Limited
- Tata Industries Limited
- Tata International Limited
- Tata Autocomp Systems Limited
- Drive India Enterprise Solutions Limited
- Nova Integrated Systems Limited
- Tata Lockheed Martin Aerostructures Limited
- Tata Capital Housing Finance Limited
- TC Travel And Services Limited
- Tata Securities Limited
- Tata Capital Forex Limited (formerly TT Holdings & Services Limited)
- Tata Capital Financial Services Limited
- Tata Interactive Systems GmbH
- TATA Africa Holdings (Kenya) Limited
- Tata Zambia Limited
- Tata Interactive Systems AG
- Tata Africa Services (Nigeria) Limited
- Tata International Singapore Pte Limited
- Tata Advanced Materials Limited
- MMP Mobi Wallet Payment Systems Limited (upto 25.03.2013)
- VIOM Networks Limited (upto 25.03.2013)
- Tata Teleservices (Maharashtra) Limited (upto 25.03.2013)
- Tata Teleservices Limited (upto 25.03.2013)

IV) Key Management Personnel

- Mr. N. Chandrasekaran
- Mr. Rajesh Gopinathan (w.e.f. 10.02.2013)
- Mr. S. Mahalingam (upto 09.02.2013)

Notes forming part of the Financial Statements

B) Transactions with related parties for the year ended March 31, 2014

(₹ crores)

	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Management Personnel and their relatives	Total
Brand equity contribution	76.22 78.84	-	-	-	76.22 78.84
Purchase of fixed assets	-	6.93 3.57	40.32 57.79	-	47.25 61.36
Loans and advances given	-	13.59 49.78	0.06 -	-	13.65 49.78
Loans and advances repaid	-	17.40 0.24	-	-	17.40 36.71
Inter-corporate deposits placed	-	-	330.00 150.00	-	330.00 150.00
Inter-corporate deposits matured	-	-	-	-	-
Purchase of investments	-	-	25.00 163.92	-	25.00 163.92
Redemption of investments	348.33 333.33	2.80 -	-	-	351.13 338.33
Revenue (including reimbursements)	1.39 0.37	40015.45 30896.17	186.48 479.30	-	40203.32 31375.84
Interest income (including pre-acquisition period)	126.09 85.01	6.62 6.95	54.80 32.52	-	187.51 124.48
Dividend income	-	1610.60 1107.40	-	-	1610.60 1108.03
Rent income	-	4.70 3.08	-	-	4.70 3.08
Other income	-	42.10 30.91	-	-	42.10 30.95
Purchase of goods, services and facilities (including reimbursement)	0.91 0.50	2315.50 2096.47	261.65 356.79	-	2578.06 2453.76
Rent expense	0.81 0.86	62.67 63.99	1.68 1.41	-	65.16 66.32
Provision / (Write back of provision) for doubtful receivables, advances	0.02 -	0.43 13.90	0.37 0.24	-	0.82 14.14
Bad debts written off	-	-	-	-	-
Dividend paid on equity shares	3608.63 3608.63	-	4.26 4.26	0.22 0.63	3613.11 3613.52
Dividend paid on redeemable preference shares	19.00 22.00	-	-	-	19.00 22.00
Guarantees given	-	493.51 1392.76	-	-	493.51 1392.76
Remuneration	-	-	-	20.05 15.80	20.05 15.80
Repayment of preference share capital	100.00 -	-	-	-	100.00 -

Notes forming part of the Financial Statements

C) Balances with related parties as at March 31, 2014

(₹ crores)

	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Management Personnel and their relatives	Total
Trade receivables, Unbilled revenue, Loans and advances and Other assets (net)	73.70 148.94	7918.91 6236.67	528.42 241.44	- -	8521.03 6627.05
Trade payables, Income received in advance, Advances from customers, Other liabilities	68.72 79.78	1246.95 1293.91	15.11 33.24	- -	1330.78 1406.93
Guarantees	- -	4082.31 4627.42	- -	- -	4082.31 4627.42
Investment in debentures	1091.32 625.33	- -	291.98 200.00	- -	1383.30 825.33

Previous year figures are in italics.

D) Disclosure of material transactions / balances with related parties

(₹ crores)

	2014	2013
<u>Purchase of fixed assets</u>		
CMC Limited	6.81	3.57
Tata Consulting Engineers Limited	16.71	22.66
Tata Realty And Infrastructure Limited	23.35	34.77
<u>Loans and advances given during the year</u>		
C-Edge Technologies Limited	7.48	-
TCS Financial Solutions Australia Pty Limited	4.16	6.74
Tata Consultancy Services Morocco SARL AU	-	13.90
Computational Research Laboratories Limited	-	23.00
<u>Loans and advances repaid during the year</u>		
TCS Financial Solutions Australia Pty Limited	11.54	11.41
Tata Consultancy Services Qatar S. S. C.	0.01	21.79
CMC Limited	4.07	-
<u>Inter-corporate deposits placed</u>		
Tata Housing Development Company Limited	50.00	-
Tata Capital Financial Services Limited	280.00	-
Tata Capital Limited	-	150.00
<u>Inter-corporate deposits matured</u>		
Tata Realty And Infrastructure Limited	-	50.00
Tata Capital Limited	-	150.00
<u>Purchase of investments</u>		
Tata Sons Limited	-	163.92
Tata Capital Housing Finance Limited	25.00	-
<u>Redemption of investments</u>		
Tata Sons Limited	348.33	333.33
<u>Revenue (including reimbursements)</u>		
Tata America International Corporation	32678.88	25638.26
<u>Interest income (including pre-acquisition period)</u>		
Tata Sons Limited	126.09	85.01
Panatone Finvest Limited	19.00	19.61

Notes forming part of the Financial Statements

	(₹ crores)	
	2014	2013
<u>Dividend income</u>		
Tata America International Corporation	1275.02	557.35
Tata Consultancy Services Canada Inc.	303.30	273.85
<u>Other income</u>		
Diligenta Limited	30.90	25.97
TCS e-Serve International Limited	6.28	-
<u>Rent income</u>		
TCS e-Serve Limited	-	0.33
C-Edge Technologies Limited	1.62	2.26
TCS e-Serve International Limited	2.66	-
<u>Purchase of goods, services and facilities (including reimbursement)</u>		
CMC Limited	222.33	269.92
CMC Americas Inc.	941.22	788.67
Tata Capital Forex Limited (formerly TT Holdings & Services Limited)	223.62	239.58
Tata America International Corporation	392.98	228.68
<u>Rent expense</u>		
CMC Limited	45.72	46.77
Diligenta Limited	16.95	17.22
<u>Provision / (Write back of provision) for doubtful receivables, advances</u>		
Tata Consultancy Services Morocco SARL AU	-	13.90
Tata Sky Limited	(0.49)	0.49
Tata Realty and Infrastructure Limited	0.44	-
Drive India Enterprise Solutions Limited	0.28	-
Tata Consultancy Services (Thailand) Limited	0.33	-
<u>Bad debts written off</u>		
Tata Consultancy Services De Espana S.A.	-	0.10
Tata Consultancy Services Portugal Unipessoal Limitada	-	0.09
Tata Teleservices (Maharashtra) Limited	-	0.33
<u>Dividend paid on equity shares</u>		
Tata Sons Limited	3608.63	3608.63
<u>Guarantees given during the year</u>		
Tata America International Corporation	70.28	1213.26
Tata Consultancy Services Netherlands BV	245.78	-
TCS Financial Solutions Beijing Co., Ltd.	149.04	-
<u>Remuneration to Key Management Personnel</u>		
Mr. N.Chandrasekaran	18.68	11.69
Mr. S. Mahalingam (upto 09.02.2013)	-	4.02
<u>Trade receivables, unbilled revenues, loans and advances and other assets</u>		
Tata America International Corporation	5625.53	4162.40
<u>Trade payables, income received in advance, advances from customers, other liabilities</u>		
Tata America International Corporation	474.78	453.97
CMC Limited	111.27	151.07
CMC Americas Inc	156.63	145.48
<u>Guarantees outstanding</u>		
Diligenta Limited	3167.02	2910.88
Tata America International Corporation	-	1208.41
<u>Investment in debentures</u>		
Tata Sons Limited	1091.32	625.33
Panatone Finvest Limited	200.00	200.00

Notes forming part of the Financial Statements

33) OBLIGATIONS TOWARDS OPERATING LEASES

(₹ crores)

Non-cancellable operating lease obligation	As at March 31, 2014	As at March 31, 2013
Not later than one year	528.77	484.02
Later than one year but not later than five years	1325.51	1413.60
Later than five years	1214.37	1175.37
Total	3068.65	3072.99

Rent expenses of ₹ 507.83 crores (Previous year: ₹ 505.38 crores) in respect of obligation under non-cancellable operating leases and ₹ 536.22 crores (Previous year ₹ 287.22 crores) in respect of cancellable operating leases have been charged to the statement of profit and loss.

34) OBLIGATIONS TOWARDS FINANCE LEASES

(₹ crores)

Assets acquired under finance lease	As at March 31, 2014	As at March 31, 2013
(i) Minimum lease payments:		
Not later than one year	38.24	21.27
Later than one year but not later than five years	83.39	76.87
Later than five years	55.80	67.23
Total	177.43	165.37
(ii) Present value of minimum lease payments:		
Not later than one year	25.32	7.58
Later than one year but not later than five years	49.67	37.71
Later than five years	38.97	43.87
	113.96	89.16
Add : Future finance charges	63.47	76.21
Total	177.43	165.37

35) EARNINGS PER EQUITY SHARE (EPS)

(₹ crores)

	2014	2013
Net profit for the year	18474.92	12786.34
Less : Preference share dividend (including dividend tax)	33.65	22.23
Amount available for equity shareholders	18441.27	12764.11
Weighted average number of shares	195,87,27,979	195,72,20,996
Earning per share basic and diluted (₹)	94.15	65.22
Face value per Equity share (₹)	1.00	1.00

Notes forming part of the Financial Statements

36) AUDITOR'S REMUNERATION

(₹ crores)

	2014	2013
For services as auditors, including quarterly audits	3.75	2.52
For Tax audit	0.53	0.42
For Other services	3.95	2.54
Reimbursement of out-of-pocket expenses	0.13	0.14
For service tax	1.03	0.70

Service tax credit has been/will be availed.

In addition to the above, fees amounting to ₹ 2.24 crores (Previous year: ₹ 1.77 crores) for attest and other professional services rendered have been paid to firms of chartered accountants in which some of the partners are also partners in the firm of statutory auditors.

37) CONTINGENT LIABILITIES

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
Claims against the Company not acknowledged as debts	29.57	23.67
Income Tax demands (See (a) below)	3890.20	2589.73
Indirect Tax demands (See (b) below)	63.27	62.59
Guarantees given by the Company on behalf of subsidiaries (See (c) and (d) below)	4082.31	4627.42

- In respect of income tax demands of ₹ 318.20 crores (March 31, 2013: ₹ Nil), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited, which has been amalgamated with the Company effective April 1, 2013.
- In respect of indirect tax demands of ₹ 8.53 crores (March 31, 2013: ₹ Nil), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited, which has been amalgamated with the Company effective April 1, 2013.
- The Company has provided guarantees aggregating to ₹ 3167.02 crores (GBP 317.20 million) (March 31, 2013: ₹ 2910.88 crores) (GBP 353.65 million) to third parties on behalf of its subsidiary Diligenta Limited. The Company does not expect any outflow of resources in respect of the above.
- The Company has provided guarantees aggregating to ₹ 83.91 crores (USD 13.97 million) (March 31, 2013: ₹ 1208.41 crores) (USD 222.42 million) to third parties on behalf of its subsidiary Tata America Corporation Limited. The Company does not expect any outflow of resources in respect of the above.

38) CAPITAL AND OTHER COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2811.44 crores (March 31, 2013: ₹ 3328.51crores).
- The Company has undertaken to provide continued financial support to its subsidiaries APOne Limited and TCS FNS Pty Limited.
- The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of balance ₹ 36445.78 per unit of 1000 units aggregating to ₹ 3.64 crores (March 31, 2013: ₹ 4.74 crores).

Notes forming part of the Financial Statements

39) DERIVATIVE FINANCIAL INSTRUMENTS

The Company, in accordance with its risk management policies and procedures, enters into foreign exchange forward, options and future contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Company has outstanding foreign currency option contracts, which have been designated as Cash Flow Hedges, as at:

	March 31, 2014			March 31, 2013		
	No. of Contracts	Notional amount of Currency Options contracts (million)	Fair Value (₹ crores)	No. of Contracts	Notional amount of Currency Options contracts (million)	Fair Value (₹ crores)
Foreign Currency						
U.S. Dollar	4	410.00	21.36	47	1090.00	(8.81)
Sterling Pound	6	177.00	18.23	12	123.00	62.59
Euro	3	120.00	19.87	15	102.00	15.66
Australian dollar	3	75.00	2.71	-	-	-

The movement in Hedging Reserve during the year ended March 31, 2014, and the year ended March 31, 2013 for derivatives designated as Cash Flow Hedges is as follows:

	(₹ crores)	
	Year ended March 31, 2014	Year ended March 31, 2013
Balance at the beginning of the year	55.49	(25.96)
Transferred on amalgamation	(8.33)	-
Changes in the fair value of effective portion of Cash Flow Hedges (includes a net time value adjustment of ₹ 140.11 crores; March 31, 2013 : ₹ Nil)	(759.76)	161.04
Losses / (Gains) transferred to the statement of profit and loss on occurrence of forecasted hedge transaction (includes a net time value adjustment of ₹ 144.87 crores; March 31, 2013 : ₹ Nil)	742.24	(79.59)
Balance at the end of the year (includes a net time value adjustment of ₹ 4.76 crores; March 31, 2013 : ₹ Nil)	29.64	55.49

Net gain on derivative instruments of ₹ 21.15 crores recognised in Hedging Reserve as of March 31, 2014, is expected to be reclassified to the statement of profit and loss by March 31, 2015.

In addition to the above Cash Flow Hedges, the Company has outstanding foreign exchange forward, options and future contracts with notional amount aggregating ₹ 15774.90 crores (March 31, 2013: ₹ 10427.63 crores) whose fair value showed a gain of ₹ 261.23 crores as on March 31, 2014 (March 31, 2013: gain of ₹ 51.21 crores). Exchange loss of ₹ 66.60 crores (March 31, 2013: Exchange gain of ₹ 271.95 crores) on foreign exchange forward, options and future contracts for the year ended March 31, 2014 have been recognised in the statement of profit and loss in respect of these hedges.

As of balance sheet date, the Company has net foreign currency exposures that are not hedged by derivative instruments or otherwise amounting to ₹ 681.53 crores (March 31, 2013: ₹ 375.25 crores).

Notes forming part of the Financial Statements

40) MICRO AND SMALL ENTERPRISES

(₹ crores)

	As at March 31, 2014		As at March 31, 2013	
	Principal	Interest	Principal	Interest
Amount due to vendor	9.79	0.04	5.02	0.08
Principal amount paid (includes unpaid) beyond the appointed date	138.71	-	49.74	-
Interest due and payable for the year	-	0.44	-	0.27
Interest accrued and remaining unpaid (includes interest disallowable of ₹ 1.41 crores (Previous year: ₹ 0.97 crore))	-	1.41	-	0.97

Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

41) INCOME IN FOREIGN CURRENCY

(₹ crores)

	2014	2013
(a) Consultancy services	60373.81	44721.22
(b) FOB value of exports of equipment and licenses	261.15	130.02
(c) Interest income	6.76	10.46
(d) Dividend income	1582.38	1049.05
(e) Other income (net)	36.74	31.81

42) EXPENDITURE IN FOREIGN CURRENCY

(₹ crores)

	2014	2013
(a) Royalty	2.57	2.08
(b) Legal and professional fees	181.32	148.25
(c) Interest	1.47	3.90
(d) Overseas employee costs	3713.91	2987.17
(e) Overseas business expenses	9670.58	7091.22
(f) Services rendered by business associates and others	3940.66	3148.52
(g) Software, hardware and material cost	753.32	563.96
(h) Communication expenses	239.96	185.55
(i) Travelling and conveyance expenses	192.01	147.30
(j) Other operating expenses	882.55	827.75
(k) Foreign taxes	697.05	496.48

Notes forming part of the Financial Statements

43) VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ crores)

	2014	2013
Raw materials, sub-assemblies and components	32.96	20.35
Capital goods	589.60	352.42
Stores and spare parts	-	0.01

44) VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SUB-ASSEMBLIES AND COMPONENTS, STORES AND SPARE PARTS CONSUMED

	2014		2013	
	(₹ crores)	%	(₹ crores)	%
Raw materials, sub-assemblies and components				
Imported:	31.40	78.96	18.62	74.42
Indigenous:	8.37	21.04	6.40	25.58
	39.77	100.00	25.02	100.00
Stores and spare parts				
Imported:	-	-	0.01	50.00
Indigenous:	0.02	100.00	0.01	50.00
	0.02	100.00	0.02	100.00

Consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

45) REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDENDS

The Company has remitted ₹ Nil (March 31, 2013: ₹ Nil) in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends declared and paid to non-resident shareholders for the year ended March 31, 2013 and interim dividends for the year ended March 31, 2014, are as under:

	Number of non-resident shareholders	Number of equity shares held	Gross amount of dividend	
			(₹ crores)	
			2014	2013
Final and special dividend for 2011-12 declared in June 2012	10437	28,81,44,188	-	461.03
Interim dividend declared in July 2012	10459	29,09,13,339	-	87.27
Interim dividend declared in October 2012	10270	29,44,78,942	-	88.34
Interim dividend declared in January 2013	10382	29,42,30,815	-	88.27
Final dividend for 2012-13 declared in June 2013	10062	31,07,28,113	403.95	-
Interim dividend declared in July 2013	9970	31,38,30,865	125.53	-
Interim dividend declared in October 2013	10009	31,98,81,202	127.95	-
Interim dividend declared in January 2014	10276	33,24,19,506	128.97	-

Notes forming part of the Financial Statements

46) DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2014:

(₹ crores)

Subsidiary Company	Outstanding as at March 31, 2014	Maximum amount outstanding during the year
TCS FNS Pty Limited *	45.32	53.52
	<i>52.91</i>	<i>255.11</i>
TCS Iberoamerica SA **	-	-
	-	<i>52.58</i>
Tata Consultancy Services Morocco SARL AU	5.47	7.72
	<i>6.32</i>	<i>6.51</i>

No. of Shares

* TCS FNS Pty Limited has made the following investments in its subsidiaries:

(a) TCS Financial Solutions Australia Holdings Pty Limited	65,58,424
(b) TCS Management Pty Ltd.	4,91,712

** TCS Iberoamerica SA has made the following investments in its subsidiaries:

(a) TCS Solution Centre S.A.	15,50,00,000
(b) Tata Consultancy Services Argentina S.A.	4,21,27,767
(c) Tata Consultancy Services Do Brasil Ltda	12,24,71,226
(d) Tata Consultancy Services De Mexico S.A., De C.V.	49,500
(e) TCS Inversiones Chile Limitada	3,10,10,000
(f) Tata Consultancy Services Chile S.A.	1
(g) TCS Uruguay S.A.	5,40,000

Previous year's figures are in italics

47) Research and development expenditure aggregating to ₹ 176.31 crores (Previous year: ₹ 151.36 crores), including capital expenditure, was incurred during the year.

48) Previous year's figures have been recast / restated.

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2013-14

Statement pursuant to general exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Sr. No.	Name of the subsidiary company	Reporting currency	Exchange rate	(₹ crores)										Country
				Capital	Reserves	Total assets	Total liabilities	Investment other than investment in subsidiary	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	
1	APOnline Limited	INR	1.000000	1.77	23.25	63.61	38.59	4.50	90.13	18.20	6.20	12.00	1.93	India
2	MP Online Limited	INR	1.000000	1.00	32.47	64.93	31.46	-	54.03	23.71	7.97	15.74	3.30	India
3	C-Edge Technologies Limited	INR	1.000000	10.00	63.04	145.02	71.98	1.05	186.57	24.79	8.41	16.38	-	India
4	WTI Advanced Technology Limited	INR	1.000000	1.05	75.80	78.71	1.86	7.75	15.34	1.95	0.72	1.23	-	India
5	MahaOnline Limited	INR	1.000000	2.55	27.08	153.87	124.24	-	271.18	20.61	7.08	13.53	-	India
6	CMC Limited	INR	1.000000	30.30	1,046.31	1,491.46	414.85	200.85	1,338.96	385.81	62.20	323.61	68.18	India
7	CMC Americas Inc.	USD	60.063200	9.61	58.69	325.46	257.16	-	1,257.15	108.35	41.00	67.35	120.13	U.S.A.
8	CMC eBiz Inc.	USD	60.063200	0.01	18.90	28.05	9.14	-	38.33	8.96	3.12	5.84	-	U.S.A.
9	TCS e-Serve International Limited	INR	1.000000	10.00	389.21	409.60	10.39	8.80	126.65	76.66	25.70	50.96	-	India
10	TCS e-Serve America, Inc.	USD	60.063200	1.66	19.86	27.93	6.41	-	58.79	15.45	5.26	10.19	-	U.S.A.
11	Diligenta Limited	GBP	99.843079	369.42	563.87	1,595.16	661.87	199.69	2,638.11	333.79	74.88	258.91	-	U.K.
12	Diligenta 2 Limited	GBP	99.843079	0.01	85.61	124.04	38.42	-	297.04	(36.38)	(5.05)	(31.33)	-	U.K.
13	Tata Consultancy Services Canada Inc.	CAD	54.533503	38.53	184.43	681.53	458.57	-	2,511.74	362.60	95.89	266.71	272.67	Canada
14	Tata America International Corporation	USD	60.063200	1.20	1,437.29	7,994.99	6,556.50	-	36,556.43	1,158.99	386.07	772.92	1,201.26	U.S.A.
15	MS CIV Investments Corporation	USD	60.063200	8.44	-	8.44	-	-	-	-	-	-	-	U.S.A.
16	Tata Consultancy Services Asia Pacific Pte Ltd.	USD	60.063200	26.43	467.92	785.66	291.31	5.41	1,799.74	149.47	13.37	136.10	-	Singapore
17	Tata Consultancy Services (China) Co., Ltd.	CNY	9.668588	195.24	(53.02)	221.86	79.64	-	398.81	(8.68)	0.00	(8.68)	-	China
18	Tata Consultancy Services Japan Ltd.	JPY	0.587473	9.69	1.04	303.46	292.73	-	681.87	35.58	(9.84)	45.42	-	Japan
19	Tata Consultancy Services Malaysia Sdn Bhd	MYR	18.389884	3.68	56.29	104.95	44.98	-	164.17	25.33	2.97	22.36	36.14	Malaysia
20	PT Tata Consultancy Services Indonesia	IDR	0.005287	0.53	17.44	51.04	33.07	-	77.20	14.51	5.92	8.59	-	Indonesia
21	Tata Consultancy Services (Philippines) Inc.	PHP	1.338307	1.15	33.70	118.81	83.96	-	215.95	21.61	1.38	20.23	-	Philippines
22	Tata Consultancy Services (Thailand) Limited	THB	1.846735	1.48	4.73	9.96	3.75	-	15.61	3.38	-	3.38	3.51	Thailand
23	Nippon TCS Solution Center Limited	JPY	0.587473	10.28	23.53	74.29	40.48	-	131.68	15.86	5.99	9.87	-	Japan
24	Tata Consultancy Services Belgium S.A.	EUR	82.418694	1.55	148.24	265.12	115.33	-	711.76	99.23	34.29	64.94	-	Belgium
25	Tata Consultancy Services Deutschland GmbH	EUR	82.418694	1.24	86.06	412.86	325.56	-	1,442.72	67.64	21.46	46.18	-	Germany
26	Tata Consultancy Services Sverige AB	SEK	9.267010	0.09	138.85	536.92	397.98	-	1,057.90	67.90	14.05	53.85	-	Sweden
27	Tata Consultancy Services Netherlands BV	EUR	82.418694	543.96	779.73	1,568.34	244.65	-	1,365.47	229.52	52.41	177.11	-	Netherlands
28	TCS Italia SRL	EUR	82.418694	18.13	(10.01)	72.67	64.55	-	152.30	6.62	5.67	0.95	-	Italy
29	Tata Consultancy Services Luxembourg S.A.	EUR	82.418694	46.15	(31.25)	72.72	57.82	-	117.23	0.58	(2.02)	2.60	-	Luxembourg
30	Tata Consultancy Services Switzerland Ltd.	CHF	67.608285	10.14	60.75	420.90	350.01	6.97	943.30	24.98	6.72	18.26	31.44	Switzerland
31	Tata Consultancy Services France SAS	EUR	82.418694	2.47	(31.19)	190.82	219.54	-	448.66	(14.86)	1.36	(16.22)	-	France
32	Tata Consultancy Services Österreich GmbH	EUR	82.418694	0.29	2.01	20.23	17.93	-	43.58	2.86	0.65	2.21	-	Austria
33	Tata Consultancy Services Danmark ApS	DKK	11.039406	1.10	45.60	67.99	21.29	-	107.55	3.05	0.76	2.29	3.59	Denmark
34	Tata Consultancy Services De Espana S.A.	EUR	82.418694	0.50	(96.64)	132.19	228.33	-	221.57	(21.85)	-	(21.85)	-	Spain
35	Tata Consultancy Services Portugal Unipessoal Limitada	EUR	82.418694	0.05	(3.89)	17.67	21.51	-	25.40	(13.09)	0.02	(13.11)	-	Portugal

Statement pursuant to general exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Sr. No.	Name of the subsidiary company	Reporting currency	Exchange rate	(₹ crores)										Country
				Capital	Reserves	Total assets	Total liabilities	Investment other than investment in subsidiary	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	
36	Alti S.A.*	EUR	82.418694	3.02	178.66	556.94	375.26	-	646.75	13.20	(7.01)	20.21	-	France
37	Alti HR S.A.S.*	EUR	82.418694	0.30	14.08	19.11	4.73	-	11.97	1.84	0.64	1.20	-	France
38	TESCOM (France) Software Systems Testing S.A.R.L.*	EUR	82.418694	0.82	(4.86)	1.52	5.56	-	15.46	(1.10)	0.18	(1.28)	-	France
39	Alti Switzerland S.A.*	CHF	67.608285	0.68	7.92	19.85	11.25	-	48.88	4.99	2.03	2.96	-	Switzerland
40	Alti Infrastructures Systemes & Reseaux S.A.S.*	EUR	82.418694	0.41	3.67	8.96	4.88	-	17.42	1.24	0.45	0.79	-	France
41	Alti NV*	EUR	82.418694	6.76	18.79	54.26	28.71	-	88.86	(1.04)	0.73	(1.77)	-	Belgium
42	Teamlink*	EUR	82.418694	0.52	(0.27)	0.86	0.61	-	3.27	(0.76)	-	(0.76)	-	Belgium
43	Planaxis Technologies Inc.*	EUR	82.418694	0.01	40.77	63.03	22.25	-	69.38	4.39	1.72	2.67	-	Canada
44	Tata Consultancy Services Morocco SARL AU	MAD	7.339549	10.83	(35.71)	0.16	25.04	-	0.18	0.10	-	0.10	-	Morocco
45	Tata Consultancy Services (Africa) (PTY) Ltd.	ZAR	5.657320	7.92	0.23	8.20	0.05	-	5.02	4.95	0.02	4.93	6.34	South Africa
46	Tata Consultancy Services (South Africa) (PTY) Ltd.	ZAR	5.657320	10.18	53.94	159.61	95.49	-	451.74	21.69	6.22	15.47	6.62	South Africa
47	TCS FNS Pty Limited	AUD	55.666574	207.41	(4.01)	253.47	50.07	-	-	-	-	-	-	Australia
48	TCS Financial Solutions Beijing Co., Ltd.	CNY	9.668588	1.87	(27.54)	39.01	64.68	-	30.45	(37.48)	(0.67)	(36.81)	-	China
49	TCS Financial Solutions Australia Holdings Pty Limited	AUD	55.666574	77.54	(22.50)	55.04	-	-	-	-	-	-	-	Australia
50	TCS Financial Solutions Australia Pty Limited	AUD	55.666574	0.01	1.04	129.62	128.57	-	66.69	40.61	1.87	38.74	-	Australia
51	TCS Management Pty Ltd.	AUD	55.666574	1.74	(18.65)	0.26	17.17	-	(0.40)	(0.52)	-	(0.52)	-	Australia
52	PT Financial Network Services	USD	60.063200	0.36	(0.41)	1.05	1.10	-	-	(0.03)	-	(0.03)	-	Indonesia
53	TCS Iberoamerica SA	UYU	2.665329	591.13	369.18	1,068.05	107.74	-	12.02	7.69	-	7.69	-	Uruguay
54	TCS Solution Center S.A.	UYU	2.665329	46.29	38.57	290.81	205.95	-	475.34	58.04	14.09	43.95	9.48	Uruguay
55	Tata Consultancy Services Argentina S.A.	ARS	7.504429	61.41	(34.27)	77.99	50.85	-	89.41	13.98	-	13.98	-	Argentina
56	Tata Consultancy Services Do Brasil Ltda	BRL	26.576637	325.49	(283.58)	319.76	277.85	-	324.39	(56.18)	2.64	(58.82)	-	Brazil
57	Tata Consultancy Services De Mexico S.A., De C.V.	MXN	4.593814	1.21	341.68	716.54	373.65	-	1,048.44	157.61	51.76	105.85	-	Mexico
58	Tata Consultancy Services Chile S.A.	CLP	0.108653	159.30	356.29	588.49	72.90	-	361.71	20.98	7.29	13.69	-	Chile
59	TCS Inversiones Chile Limitada	CLP	0.108653	166.13	178.01	350.03	5.89	-	0.04	0.04	0.02	0.02	-	Chile
60	TATASOLUTION CENTER S.A.	USD	60.063200	18.02	109.56	235.85	108.27	-	503.52	122.47	32.78	89.69	48.05	Ecuador
61	TCS Uruguay S.A.	UYU	2.665329	0.14	39.03	72.00	32.83	-	96.15	14.07	0.20	13.87	-	Uruguay
62	MGDC S.C.	MXN	4.593814	0.02	60.28	245.85	185.55	-	573.22	27.10	4.74	22.36	-	Mexico
63	Tata Consultancy Services Qatar S.S.C.	QAR	16.494082	3.30	17.07	55.35	34.98	-	114.31	9.01	0.90	8.11	-	Qatar
64	Computational Research Laboratories Inc.	USD	60.063200	0.01	(0.02)	0.04	0.05	-	-	-	-	-	-	U.S.A.

* On June 28, 2013, Tata Consultancy Services Netherlands BV, a wholly owned subsidiary of the Company, has acquired 100 percent share capital of Alti S.A., an information technology services company in France, along with its subsidiaries.

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2014.
2. TCS e-Serve Limited has been amalgamated with the Company w.e.f. April 1, 2013.
3. Tata Information Technology (Shanghai) Company Limited has been amalgamated with Tata Consultancy Services (China) Co., Ltd. w.e.f. November 5, 2013.

[illegible]



TATA CONSULTANCY SERVICES LIMITED

Corporate Identification No. (CIN) - L22210MH1995PLC084781

Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

Phone: 91 22 6778 9595 Fax: 91 22 6778 9660 E-mail: investor.relations@tcs.com Website: www.tcs.com

ATTENDANCE SLIP

(To be presented at the entrance)

19TH ANNUAL GENERAL MEETING ON FRIDAY, JUNE 27, 2014 AT 3.30 P.M.

at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxyholder _____ Signature _____

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.



TATA CONSULTANCY SERVICES LIMITED

Corporate Identification No. (CIN) - L22210MH1995PLC084781

Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

Phone: 91 22 6778 9595 Fax: 91 22 6778 9660 E-mail: investor.relations@tcs.com Website: www.tcs.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered address :

E-mail Id :

Folio No. / Client ID No. : DP ID No.

I / We, being the member(s) of Shares of Tata Consultancy Services Limited, hereby appoint

1. Name: E-mail Id:

Address: Signature:

or failing him

2. Name: E-mail Id:

Address: Signature:

or failing him

3. Name: E-mail Id:

Address: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the nineteenth Annual General Meeting of the Company to be held on Friday, June 27, 2014 at 3.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.
2. Confirmation of payment of Interim Dividends and declaration of Final Dividend on Equity Shares for the financial year 2013-14.
3. Declaration of dividend on Redeemable Preference Shares for the financial year 2013-14.
4. Re-appointment of Mr. Phiroz Vandrevalla as a Director of the Company.
5. Appointment of Auditors.
6. Appointment of Mr. V. Thyagarajan as an Independent Director.
7. Appointment of Prof. Clayton M. Christensen as an Independent Director.
8. Appointment of Dr. Ron Sommer as an Independent Director.
9. Appointment of Mr. O. P. Bhatt as an Independent Director.
10. Appointment of Dr. Vijay Kelkar as an Independent Director.
11. Appointment of Mr. Aman Mehta as an Independent Director.
12. Payment of Commission to non Whole-time Directors.
13. Appointment of Branch Auditors.

Signed this day of 2014

Affix
Revenue
Stamp

Signature of shareholder..... Signature of Proxyholder(s).....

NOTES: 1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021, not less than 48 hours before the commencement of the Meeting.

2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.

AWARDS AND RECOGNITIONS

Business:

- Business Standard "Company of the Year"
- "Best In-house Legal Team of the Year in IT and Telecommunications Industry."
- "Recruiting and Staffing Industry Leader of the Year" and "Best Employer Brand" at "World HRD Congress" annual meet.
- Won five awards under RASBIC
- "IT Innovation Award" from NASSCOM-CNBC TV18
- "Best Performing Consultancy Brand" in Europe
- Most Admired Company - Fortune India
- Business Leader in Information Technology - NDTV Profit Leadership Awards
- Top 10 Companies with the Best Business Outlook – Glassdoor
- Innovative Enterprise Solution - CA World
- India's Most Respected Company - Business World
- Ranked in Top 50 on 2013 Information Week 500 – a list of the top US technology innovators
- One of the World's Most Innovative Companies- Forbes
- Ranked India's 'Most Valuable Company' in BT 500 rankings for second year in a row
- Forbes Asia "Fabulous 50" Award 2013

Leadership:

- N Chandrasekaran, CEO & MD was named:
 - STEMconnector's 100 CEO Leader in STEM
 - Management Man of the Year 2013 - Bombay Management Association
 - Best CEO in the Institutional Investor's 2013 Annual All-Asia Executive Team Rankings
 - Business Standard: CEO of the Year for 2013
 - Business Today: Best CEO for 2013
 - Express IT Awards: Newsmaker of the Year
 - Business India: Businessman of the year 2013
- N Chandrasekaran, CEO & MD was conferred:
 - Honorary Doctorate from Nyenrode Business Universiteit, Netherland's top private business school.
 - Honorary Doctor of Science Degree (Honoris Causa) by the KIIT University

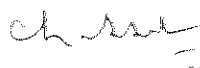

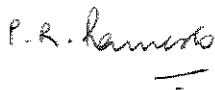
Partner:

- The "Software Partner of the year for EMEA" award from HP
- 2013 SAP® Pinnacle Award
- System Integrator Partner of the year – Netapp
- Microsoft Supplier of the Year – 2013
- Assurance Services Unit awarded "COE of the year" - HP
- Technology Partner - Manufacturing Leadership 100 Awards by Manufacturing Leadership Community
- eIndia Governance Award for TCS Passport Seva Project & APOne's MeeSeva
- Partner Excellence Award - Pegasystems, Inc
- Cloud Partner of the Year Award –NetApp
- Microsoft IT –Innovator of the Year – Microsoft
- Microsoft "Public Sector Partner award" at Microsoft Partner Summit 2013
- SAP Customer Awards of Excellence 2013
- Social Innovation Partner of the Year Award from Hitachi

IT Services
Business Solutions
Consulting

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Tata Consultancy Services Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable as the Report is unqualified
5.	To be signed by -	
	Mr. N. Chandrasekaran Chief Executive Officer and Managing Director	
	Mr. Rajesh Gopinathan Chief Financial Officer	
	Deloitte Haskins and Sells LLP Auditor of the Company	
	Mr. Aman Mehta Audit Committee Chairman	