

Standalone Balance Sheet

(₹ crore)			
Note	As at March 31, 2021	As at March 31, 2020	
ASSETS			
Non-current assets			
Property, plant and equipment	8(a)	9,821	9,835
Capital work-in-progress	8(a)	861	781
Right-of-use assets	7	5,876	6,048
Intangible assets	8(b)	362	239
Financial assets			
Investments	6(a)	2,405	2,189
Trade receivables	6(b)	55	74
Unbilled receivables		260	324
Loans	6(e)	2	2
Other financial assets	6(f)	645	624
Income tax assets (net)		1,501	2,020
Deferred tax assets (net)	15	3,160	2,219
Other assets	8(c)	1,273	1,426
Total non-current assets		26,221	25,781

(₹ crore)			
Note	As at March 31, 2021	As at March 31, 2020	
Current assets			
Inventories	8(d)	7	5
Financial assets			
Investments	6(a)	28,324	25,686
Trade receivables	6(b)	25,222	28,660
Unbilled receivables		5,399	4,763
Cash and cash equivalents	6(c)	1,112	3,852
Other balances with banks	6(d)	2,030	972
Loans	6(e)	10,486	7,270
Other financial assets	6(f)	1,363	1,448
Other assets	8(c)	9,217	6,538
Total current assets		83,160	79,194
TOTAL ASSETS		1,09,381	1,04,975
EQUITY AND LIABILITIES			
Equity			
Share capital	6(m)	370	375
Other equity	9	74,424	73,993
Total equity		74,794	74,368

Standalone Balance Sheet

		(₹ crore)	
	Note	As at March 31, 2021	As at March 31, 2020
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		5,077	5,262
Other financial liabilities	6(h)	228	237
Unearned and deferred revenue		284	644
Employee benefit obligations	12	108	91
Deferred tax liabilities (net)	15	365	347
Total non-current liabilities		6,062	6,581
Current liabilities			
Financial liabilities			
Lease liabilities		835	848
Trade payables			
Dues of small enterprises and micro enterprises	6(g)	-	-
Dues of creditors other than small enterprises and micro enterprises		7,962	8,734
Other financial liabilities	6(h)	4,473	4,694
Unearned and deferred revenue		2,877	2,271
Other liabilities	8(e)	2,720	2,048
Provisions	8(f)	1,350	235
Employee benefit obligations	12	2,598	2,057
Income tax liabilities (net)		5,710	3,139
Total current liabilities		28,525	24,026
TOTAL EQUITY AND LIABILITIES		1,09,381	1,04,975

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

For and on behalf of the Board

For **B S R & Co. LLP**

Chartered Accountants

Firm's registration no:

101248W/W-100022

Rajesh Gopinathan

CEO and

Managing Director

N Ganapathy Subramaniam

COO and Executive Director

Amit Somani

Partner

Membership No: 060154

V Ramakrishnan

CFO

Rajendra Moholkar

Company Secretary

Bengaluru, April 12, 2021

Mumbai, April 12, 2021

Standalone Statement of Profit and Loss

		(₹ crore)	
	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	10	1,35,963	1,31,306
Other income	11	5,400	8,082
TOTAL INCOME		1,41,363	1,39,388
Expenses			
Employee benefit expenses	12	69,046	64,906
Cost of equipment and software licences	13(a)	1,230	1,596
Finance costs	14	537	743
Depreciation and amortisation expense		3,053	2,701
Other expenses	13(b)	25,377	27,451
TOTAL EXPENSES		99,243	97,397
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		42,120	41,991
Exceptional item			
Provision towards legal claim	19	1,218	-
PROFIT BEFORE TAX		40,902	41,991
Tax expense			
Current tax	15	10,300	9,012
Deferred tax	15	(358)	(281)
TOTAL TAX EXPENSE		9,942	8,731
PROFIT FOR THE YEAR		30,960	33,260
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(16)	(409)
Income tax on items that will not be reclassified subsequently to profit or loss		3	86

		(₹ crore)	
	Note	Year ended March 31, 2021	Year ended March 31, 2020
Items that will be reclassified subsequently to profit or loss			
Net change in fair values of investments other than equity shares carried at fair value through OCI		51	958
Net change in intrinsic value of derivatives designated as cash flow hedges		14	(94)
Net change in time value of derivatives designated as cash flow hedges		53	(52)
Income tax on items that will be reclassified subsequently to profit or loss		(32)	(315)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		73	174
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		31,033	33,434
Earnings per equity share:- Basic and diluted (₹)	16	82.78	88.64
Weighted average number of equity shares		374,01,10,733	375,23,84,706

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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Amit Somani

Partner

Membership No: 060154

For and on behalf of the Board

Rajesh Gopinathan

CEO and

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Company Secretary

Bengaluru, April 12, 2021

Mumbai, April 12, 2021

Standalone Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)		
Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
375	-	375

(₹ crore)		
Balance as at April 1, 2020	Changes in equity share capital during the year ¹	Balance as at March 31, 2021
375	(5)	370

¹Refer note 6(m).

B. OTHER EQUITY

(₹ crore)								
	Reserves and surplus				Items of other comprehensive income		Total Equity	
	Capital reserve*	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve		
						Intrinsic value	Time value	
Balance as at April 1, 2019	-	8	994	77,159	258	134	(30)	78,523
Transition impact of Ind AS 116, net of tax	-	-	-	(330)	-	-	-	(330)
Restated balance as at April 1, 2019	-	8	994	76,829	258	134	(30)	78,193
Profit for the year	-	-	-	33,260	-	-	-	33,260
Other comprehensive income / (losses)	-	-	-	(323)	624	(89)	(38)	174
Total comprehensive income	-	-	-	32,937	624	(89)	(38)	33,434
Dividend (including tax on dividend of ₹5,738 crore)	-	-	-	(37,634)	-	-	-	(37,634)
Transfer to Special Economic Zone re-investment reserve	-	-	2,947	(2,947)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	(2347)	2,347	-	-	-	-
Balance as at March 31, 2020	-	8	1,594	71,532	882	45	(68)	73,993

Standalone Statement of Changes in Equity

(₹ crore)

Balance as at April 1, 2020

Profit for the year	-
Other comprehensive income / (losses)	-
Total comprehensive income	-
Dividend	-
Expenses for buy-back of equity shares ¹	-
Tax on buy-back of equity shares ¹	-
Buy-back of equity shares ¹	-
Transfer to Special Economic Zone re-investment reserve	-
Transfer from Special Economic Zone re-investment reserve	-
Balance as at March 31, 2021	-

Reserves and surplus				Items of other comprehensive income			Total Equity
Capital reserve*	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve		
					Intrinsic value	Time value	
-	8	1,594	71,532	882	45	(68)	73,993
-	-	-	30,960	-	-	-	30,960
-	-	-	(13)	34	11	41	73
-	-	-	30,947	34	11	41	31,033
-	-	-	(10,850)	-	-	-	(10,850)
-	-	-	(31)	-	-	-	(31)
-	-	-	(3,726)	-	-	-	(3,726)
-	5	-	(16,000)	-	-	-	(15,995)
-	-	5,058	(5,058)	-	-	-	-
-	-	(4,114)	4,114	-	-	-	-
-	13	2,538	70,928	916	56	(27)	74,424

*Represents values less than ₹0.50 crore.

¹Refer Note 6(m).

Standalone Statement of Changes in Equity

Nature and purpose of reserves

a. Capital reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

b. Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

c. Special Economic Zone re-investment reserve

The Special Economic Zone (SEZ) re-investment reserve is created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve will be utilised by the Company for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

d. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

e. Investment revaluation reserve

This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments on the balance sheet date measured at fair value through other comprehensive income. The reserves accumulated will be reclassified to retained earnings and profit and loss respectively, when such instruments are disposed.

f. Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no:
101248W/W-100022

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board
Rajesh Gopinathan **N Ganapathy Subramaniam**
CEO and Managing Director COO and Executive Director

V Ramakrishnan **Rajendra Moholkar**
CFO Company Secretary

Mumbai, April 12, 2021

Standalone Statement of Cash Flows

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	30,960	33,260
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	3,053	2,701
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	185	132
Provision towards legal claim (Refer note 19)	1,218	-
Tax expense	9,942	8,731
Net gain on lease modification	(89)	(4)
Unrealised foreign exchange gain	(20)	(130)
Net gain on disposal of property, plant and equipment	(19)	(50)
Net gain on investments	(193)	(197)
Interest income	(2,383)	(3,197)
Dividend income (Including exchange impact)	(2,211)	(3,995)
Finance costs	537	743
Realised foreign exchange gain on proceeds from liquidation of wholly owned subsidiary (Refer note 6(a))	(5)	-
Operating profit before working capital changes	40,975	37,994
Net change in		
Inventories	(3)	5
Trade receivables	3,282	(4,736)
Unbilled receivables	(572)	(311)

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Loans and other financial assets	(54)	(72)
Other assets	(2,432)	(3,072)
Trade payables	(771)	1,042
Unearned and deferred revenue	246	449
Other financial liabilities	(171)	1,183
Other liabilities and provisions	1,127	487
Cash generated from operations	41,627	32,969
Taxes paid (net of refunds)	(7,805)	(6,366)
Net cash generated from operating activities	33,822	26,603
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(5,678)	(6,999)
Inter-corporate deposits placed	(20,139)	(13,694)
Purchase of investments	(51,822)	(77,191)
Payment for purchase of property, plant and equipment	(2,071)	(1,951)
Payment including advances for acquiring right-of-use assets	(101)	(519)
Payment for purchase of intangible assets	(242)	(172)
Payment towards subscription of shares in wholly owned subsidiary (Refer note 6(a))	(224)	-
Proceeds from bank deposits	4,617	11,612
Proceeds from inter-corporate deposits	16,892	13,400
Proceeds from disposal / redemption of investments	49,333	80,865
Proceeds from disposal of property, plant and equipment	31	130

Standalone Statement of Cash Flows

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Proceeds from liquidation of wholly owned subsidiary (Refer note 6(a))	12	-
Interest received	2,605	3,353
Dividend received from subsidiaries	2,211	3,995
Net cash generated from / (used in) investing activities	(4,576)	12,829
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(879)	(668)
Interest paid	(537)	(743)
Dividend paid (including tax on dividend in previous year)	(10,850)	(37,634)
Transfer of funds to buy-back escrow account	(160)	-
Transfer of funds from buy-back escrow account	160	-
Expenses for buy-back of equity shares (Refer note 6(m))	(31)	-
Tax on buy-back of equity shares (Refer note 6(m))	(3,726)	-
Buy-back of equity shares (Refer note 6(m))	(16,000)	-
Net cash used in financing activities	(32,023)	(39,045)
Net change in cash and cash equivalents	(2,777)	387
Cash and cash equivalents at the beginning of the year	3,852	3,327
Exchange difference on translation of foreign currency cash and cash equivalents	37	138
Cash and cash equivalents at the end of the year (Refer note 6(c))	1,112	3,852

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

For and on behalf of the Board

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no:
101248W/W-100022

Rajesh Gopinathan
CEO and
Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Amit Somani
Partner
Membership No: 060154

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Bengaluru, April 12, 2021

Mumbai, April 12, 2021

Notes forming part of Standalone Financial Statements

1) Corporate information

Tata Consultancy Services Limited (referred to as “TCS Limited” or “the Company”) provides IT services, consulting and business solutions and has been partnering with many of the world’s largest businesses in their transformation journeys. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai - 400001. As at March 31, 2021, Tata Sons Private Limited, the holding company owned 72.16% of the Company’s equity share capital.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2021 and authorised for issue on April 12, 2021.

2) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

3) Basis of preparation

These standalone financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting

period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the standalone financial statements have been discussed in the respective notes.

4) Use of estimates and judgements

The preparation of the standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its standalone financial statements:

(a) Revenue recognition

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

(b) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(c) Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there

is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

(d) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(f) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be

required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

(g) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

(h) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the

lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(i) Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

5) Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

6) Financial assets, financial liabilities and equity instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company 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. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Derivative accounting

- **Instruments in hedging relationship**

The Company designates certain foreign exchange forward, currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception

and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve.

The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit and loss. Any gain or loss is recognised immediately in statement of profit and loss when the hedge becomes ineffective.

- **Instruments not in hedging relationship**

The Company enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in statement of profit and loss.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes forming part of Standalone Financial Statements

(a) Investments

Investments consist of the following:

Investments – Non-current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Investment in subsidiaries		
Fully paid equity shares (unquoted)	2,405	2,189
Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)		
Taj Air Limited	19	19
Less: Impairment in value of investments	(19)	(19)
	<u>2,405</u>	<u>2,189</u>

Investments – Current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	4,068	1,264
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	23,670	24,290
Corporate bonds (quoted)	450	132
Investments carried at amortised cost		
Commercial papers (quoted)	136	-
	<u>28,324</u>	<u>25,686</u>

Government bonds and securities includes bonds pledged with bank for credit facility amounting to ₹1,650 crore and NIL as at March 31, 2021 and 2020, respectively.

Aggregate value of quoted and unquoted investments is as follows:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Aggregate value of quoted investments	28,324	25,686
Aggregate value of unquoted investments (net of impairment)	2,405	2,189
Aggregate market value of quoted investments	28,324	25,686
Aggregate value of impairment of investments	19	19

Market value of quoted investments carried at amortised cost is as follows:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Commercial Paper	136	-

Carrying value of investment in equity instruments is as follows:

(₹ crore)					
In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2021	As at March 31, 2020
			Fully paid equity shares (unquoted)		
212,27,83,424	UYU	1	TCS Iberoamerica SA	461	461
15,75,300	INR	10	APTOnline Limited	-	-
1,300	EUR	-	Tata Consultancy Services Belgium	1	1
66,000	EUR	1,000	Tata Consultancy Services Netherlands BV	403	403

Notes forming part of Standalone Financial Statements

(₹ crore)

In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2021	As at March 31, 2020
1,000	SEK	100	Tata Consultancy Services Sverige AB	19	19
1	EUR	-	Tata Consultancy Services Deutschland GmbH	2	2
20,000	USD	10	Tata America International Corporation	453	453
75,82,820	SGD	1	Tata Consultancy Services Asia Pacific Pte Ltd.	19	19
3,72,58,815	AUD	1	TCS FNS Pty Limited	212	212
10,00,001	GBP	1	Diligenta Limited	429	429
1,000	USD	-	Tata Consultancy Services Canada Inc.*	-	-
100	CAD	70,653.61	Tata Consultancy Services Canada Inc.	31	31
51,00,000	INR	10	C-Edge Technologies Limited	5	5
8,90,000	INR	10	MP Online Limited	1	1
1,40,00,000	ZAR	1	Tata Consultancy Services (Africa) (PTY) Ltd.	66	66
18,89,005	INR	10	MahaOnline Limited	2	2
-	QAR	-	Tata Consultancy Services Qatar S.S.C.	2	2

(₹ crore)

In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2021	As at March 31, 2020
16,00,01,000	USD	0.01	CMC Americas, Inc. ¹	-	8
10,00,000	INR	100	TCS e-Serve International Limited	10	10
1,00,500	GBP	0.00001	W12 Studios Limited	66	66
2,50,00,000	EUR	1	Tata Consultancy Services Ireland Limited ²	224	-
10,00,000	INR	10	TCS Foundation	-	-
				2,405	2,189

(₹ crore)

In Numbers	Currency	Face value per share	Equity instruments designated at fair value through OCI	As at March 31, 2021	As at March 31, 2020
1,90,00,000	INR	10	Fully paid equity shares (unquoted) Taj Air Limited Less : Impairment in value of investments	19 (19) -	19 (19) -

*Represents value less than ₹0.50 crore.

Notes:

- CMC Americas, Inc., a wholly owned subsidiary of the Company incorporated in USA, was liquidated w.e.f. December 16, 2020.
- The Company incorporated a wholly owned subsidiary, Tata Consultancy Services Ireland Limited in Ireland on December 2, 2020.

Notes forming part of Standalone Financial Statements

The movement in fair value of investments carried / designated at fair value through OCI is as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	882	258
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	51	972
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(17)	(340)
Net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	-	(14)
Deferred tax relating to net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	-	6
Balance at the end of the year	916	882

(b) Trade receivables

Trade receivables (unsecured) consist of the following:

Trade receivables – Non-current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables	787	656
Less: Allowance for doubtful trade receivables	(732)	(582)
Considered good	55	74

Trade receivables – Current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables	25,361	28,822
Less: Allowance for doubtful trade receivables	(183)	(227)
Considered good	25,178	28,595
Trade receivables	211	194
Less: Allowance for doubtful trade receivables	(167)	(129)
Credit impaired	44	65
	25,222	28,660

Above balances of trade receivables include balances with related parties (Refer note 21).

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	1,032	3,848
In deposit accounts	77	4
Cheques on hand*	-	-
Cash on hand*	-	-
Remittances in transit	3	-
	1,112	3,852

*Represents value less than ₹0.50 crore.

Notes forming part of Standalone Financial Statements

(d) Other balances with banks

Other balances with banks consist of the following:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks	182	185
Short-term bank deposits	1,848	787
	2,030	972

Earmarked balances with banks primarily relate to margin money for purchase of investments, margin money for derivative contracts and unclaimed dividends.

(e) Loans

Loans (unsecured) consist of the following:

Loans – Non-current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Considered good		
Loans and advances to employees	2	2
	2	2

Loans – Current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Considered good		
Inter-corporate deposits	10,291	7,044
Loans and advances to employees	195	226

Credit impaired

Loans and advances to employees
Less: Allowance on loans and advances to employees

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Loans and advances to employees	15	14
Less: Allowance on loans and advances to employees	(15)	(14)
	10,486	7,270

Inter-corporate deposits placed with financial institutions yield fixed interest rate.

(f) Other financial assets

Other financial assets consist of the following:

Other financial assets – Non-current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Security deposits	632	617
Others	13	7
	645	624

Other financial assets – Current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Security deposits	143	148
Fair value of foreign exchange derivative assets	495	425
Interest receivable	566	691
Others	159	184
	1,363	1,448

Notes forming part of Standalone Financial Statements

(g) Dues of small enterprises and micro enterprises

	(₹ crore)			
	As at March 31, 2021		As at March 31, 2020	
	Principal	Interest	Principal	Interest
Amount due to vendor	-	-	-	-
Amount paid beyond the appointed date during the year	39	-	140	2
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid (includes interest disallowable of NIL (March 31, 2020: NIL))	-	-	-	-

Dues to small enterprises and micro enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company.

(h) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Non-current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Capital creditors	-	3
Others	228	234
	228	237

Others include advance taxes paid of ₹226 crore and ₹226 crore as at March 31, 2021 and 2020, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities is payable to the seller.

Other financial liabilities – Current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Accrued payroll	3,029	2,745
Unclaimed dividends	50	53
Fair value of foreign exchange derivative liabilities	92	693
Capital creditors	347	383
Liabilities towards customer contracts	860	759
Others	95	61
	4,473	4,694

(i) Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

	(₹ crore)					
	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets						
Cash and cash equivalents	-	-	-	-	1,112	1,112
Bank deposits	-	-	-	-	1,848	1,848
Earmarked balances with banks	-	-	-	-	182	182
Investments (other than in subsidiary)	4,068	24,120	-	-	136	28,324
Trade receivables	-	-	-	-	25,277	25,277
Unbilled receivables	-	-	-	-	5,659	5,659
Loans	-	-	-	-	10,488	10,488
Other financial assets	-	-	163	332	1,513	2,008
	4,068	24,120	163	332	46,215	74,898
Financial liabilities						
Trade payables	-	-	-	-	7,962	7,962
Lease liabilities	-	-	-	-	5,912	5,912
Other financial liabilities	-	-	2	90	4,609	4,701
	-	-	2	90	18,483	18,575

Loans include inter-corporate deposits of ₹10,291 crore, with original maturity period within 9 months.

Notes forming part of Standalone Financial Statements

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

	(₹ crore)					
	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets						
Cash and cash equivalents	-	-	-	-	3,852	3,852
Bank deposits	-	-	-	-	787	787
Earmarked balances with banks	-	-	-	-	185	185
Investments (other than in subsidiary)	1,264	24,422	-	-	-	25,686
Trade receivables	-	-	-	-	28,734	28,734
Unbilled receivables	-	-	-	-	5,087	5,087
Loans	-	-	-	-	7,272	7,272
Other financial assets	-	-	146	279	1,647	2,072
	1,264	24,422	146	279	47,564	73,675
Financial liabilities						
Trade payables	-	-	-	-	8,734	8,734
Lease liabilities	-	-	-	-	6,110	6,110
Other financial liabilities	-	-	34	659	4,238	4,931
	-	-	34	659	19,082	19,775

Loans include inter-corporate deposits of ₹7,044 crore, with original maturity period within 12 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans and trade payables as at March 31, 2021 and 2020 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is ₹136 crore and NIL as at March 31, 2021 and 2020, respectively.

(j) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

Notes forming part of Standalone Financial Statements

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

	(₹ crore)			
As at March 31, 2021				
Financial assets	Level 1	Level 2	Level 3	Total
Mutual fund units	4,068	-	-	4,068
Equity shares	-	-	-	-
Government bonds and securities	23,670	-	-	23,670
Corporate bonds	450	-	-	450
Commercial papers	136	-	-	136
Fair value of foreign exchange derivative assets	-	495	-	495
	28,324	495	-	28,819
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	92	-	92
	-	92	-	92

As at March 31, 2020

Financial assets

Mutual fund units	1,264	-	-	1,264
Equity shares	-	-	-	-
Government bonds and securities	24,290	-	-	24,290
Corporate bonds	132	-	-	132
Fair value of foreign exchange derivative assets	-	425	-	425

Financial liabilities

Fair value of foreign exchange derivative liabilities	-	693	-	693
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	(₹ crore)			
	Level 1	Level 2	Level 3	Total
	1,264	-	-	1,264
	-	-	-	-
	24,290	-	-	24,290
	132	-	-	132
	-	425	-	425
	25,686	425	-	26,111
	-	693	-	693
	-	693	-	693

(k) Derivative financial instruments and hedging activity

The Company's revenue is denominated in various foreign currencies. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Company to currency fluctuations.

The Board of Directors have constituted a Risk Management Committee (RMC) to frame, implement and monitor the risk management plan of the Company which inter-alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the RMC, the Company uses various derivative instruments such as foreign exchange forward, currency options and futures contracts in which the counter party is generally a bank.

Notes forming part of Standalone Financial Statements

The following are outstanding currency options contracts, which have been designated as cash flow hedges:

Foreign currency	As at March 31, 2021			As at March 31, 2020		
	No. of contracts	Notional amount of contracts (In million)	Fair value (₹ crore)	No. of contracts	Notional amount of contracts (In million)	Fair value (₹ crore)
US Dollar	63	1,615	51	55	1,420	20
Great Britain Pound	64	330	14	71	384	59
Euro	60	346	78	38	363	(31)
Australian Dollar	38	206	16	26	192	48
Canadian Dollar	23	114	2	19	104	16

The movement in cash flow hedging reserve for derivatives designated as cash flow hedges is as follows:

	Year ended March 31, 2021		Year ended March 31, 2020	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	45	(68)	134	(30)
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	(341)	530	(449)	513
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	73	(125)	54	(38)
Change in the fair value of effective portion of cash flow hedges	355	(477)	355	(565)
Deferred tax on fair value of effective portion of cash flow hedges	(76)	113	(49)	52
Balance at the end of the year	56	(27)	45	(68)

(₹ crore)

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2021 and 2020, the notional amount of outstanding contracts aggregated to ₹37,615 crore and ₹40,109 crore, respectively, and the respective fair value of these contracts have a net gain of ₹242 crore and net loss of ₹380 crore.

Exchange gain of ₹490 crore and loss of ₹451 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the standalone statement of profit and loss for the years ended March 31, 2021 and 2020, respectively.

Notes forming part of Standalone Financial Statements

Net foreign exchange gains include loss of ₹189 crore and ₹64 crore transferred from cash flow hedging reserve for the years ended March 31, 2021 and 2020, respectively.

Net gain on derivative instruments of ₹30 crore recognised in cash flow hedging reserve as at March 31, 2021, is expected to be transferred to the statement of profit and loss by March 31, 2022. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2021.

Following table summarises approximate gain / (loss) on the Company's other comprehensive income on account of appreciation / depreciation of the underlying foreign currencies:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
10% Appreciation of the underlying foreign currencies	(306)	(407)
10% Depreciation of the underlying foreign currencies	1,906	1,261

(I) Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

• Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign

Notes forming part of Standalone Financial Statements

exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in note 6(k).

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2021:

	(₹ crore)			
	USD	EUR	GBP	Others
Net financial assets	3,981	(9)	264	1,390
Net financial liabilities	(3,053)	(564)	(608)	(774)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹63 crore for the year ended March 31, 2021.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2020:

	(₹ crore)			
	USD	EUR	GBP	Others
Net financial assets	4,002	274	329	1,595
Net financial liabilities	(7,097)	(596)	(475)	(678)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹265 crore for the year ended March 31, 2020.

• Interest rate risk

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, loans, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹10,291 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹1,848 crore held with one Indian bank having high credit rating which is individually in excess of 10% or more of the Company's total bank deposits as at March 31, 2021. None of the other financial instruments of the Company result in material concentration of credit risk.

• Exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹77,949 crore and ₹77,161 crore as at March 31, 2021 and 2020, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, unbilled receivables, loans, contract assets and other financial assets.

Notes forming part of Standalone Financial Statements

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivable, unbilled receivables and contract assets as at March 31, 2021 and March 31, 2020.

- Geographic concentration of credit risk**

Geographic concentration of trade receivables (gross and net of allowances), unbilled receivables and contract assets is as follows:

	As at March 31, 2021		As at March 31, 2020	
	Gross%	Net%	Gross%	Net%
United States of America	48.67	49.97	47.95	48.96
India	15.32	13.27	14.45	12.80
United Kingdom	17.05	17.42	15.03	15.26

Geographic concentration of trade receivables (gross and net of allowances), unbilled receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2021 and 2020 was ₹176 crore and ₹125 crore, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	938	837
Change during the year	176	125
Bad debts written off	(30)	(40)
Translation exchange difference	(2)	16
Balance at the end of the year	1 082	938

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

	(₹ crore)				
March 31, 2021	Due in 1 st year	Due in 2 nd year	Due in 3 rd to 5 th year	Due after 5 th year	Total
Non-derivative financial liabilities					
Trade payables	7,962	-	-	-	7,962
Lease liabilities	1,239	1,157	2,590	3,098	8,084
Other financial liabilities	4,381	-	228	-	4,609
	13,582	1,157	2,818	3,098	20,655
Derivative financial liabilities					
	92	-	-	-	92
	13,674	1,157	2,818	3,098	20,747

	(₹ crore)				
March 31, 2020	Due in 1 st year	Due in 2 nd year	Due in 3 rd to 5 th year	Due after 5 th year	Total
Non-derivative financial liabilities					
Trade payables	8,734	-	-	-	8,734
Lease liabilities	1,261	1,099	2,638	3,507	8,505
Other financial liabilities	4,001	10	227	-	4,238
	13,996	1,109	2,865	3,507	21,477
Derivative financial liabilities					
	693	-	-	-	693
	14,689	1,109	2,865	3,507	22,170

Notes forming part of Standalone Financial Statements

(m) Equity instruments

The authorised, issued, subscribed and fully paid-up share capital consist of the following:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Authorised		
460,05,00,000 equity shares of ₹1 each (March 31, 2020: 460,05,00,000 equity shares of ₹1 each)	460	460
105,02,50,000 preference shares of ₹1 each (March 31, 2020: 105,02,50,000 preference shares of ₹1 each)	105	105
	565	565
Issued, Subscribed and Fully paid up		
369,90,51,373 equity shares of ₹1 each (March 31, 2020: 375,23,84,706 equity shares of ₹1 each)	370	375
	370	375

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

The Board of Directors at its meeting held on October 7, 2020, approved a proposal to buy-back upto 5,33,33,333 equity shares of the Company for

an aggregate amount not exceeding ₹16,000 crore, being 1.42% of the total paid up equity share capital at ₹3,000 per equity share. The shareholders approved the same on November 18, 2020, by way of a special resolution through postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 5,33,33,333 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on January 6, 2021. Capital redemption reserve was created to the extent of share capital extinguished (₹5 crore). The excess cost of buy-back of ₹16,031 crore (including ₹31 crore towards transaction cost of buy-back) over par value of shares and corresponding tax on buy-back of ₹3,726 crore were offset from retained earnings.

I. Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	375,23,84,706	375	375,23,84,706	375
Shares extinguished on buy-back	(5,33,33,333)	(5)	-	-
Closing balance	369,90,51,373	370	375,23,84,706	375

II. Rights, preferences and restrictions attached to 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 and carry a right to dividend. 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.

Notes forming part of Standalone Financial Statements

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.

III. Shares held by Holding company, its Subsidiaries and Associates

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Equity shares		
Holding company		
266,91,25,829 equity shares (March 31, 2020: 270,24,50,947 equity shares) are held by Tata Sons Private Limited	267	270
Subsidiaries and Associates of Holding company		
7,220 equity shares (March 31, 2020: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,23,685 equity shares (March 31, 2020: 10,36,269 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2020: 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2020: 766 equity shares) are held by The Tata Power Company Limited*	-	-
	267	270

*Equity shares having value less than ₹0.50 crore.

IV. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2021	As at March 31, 2020
Equity shares		
Tata Sons Private Limited, the Holding company	266,91,25,829	270,24,50,947
% of shareholding	72.16%	72.02%

V. Equity shares movement during the 5 years preceding March 31, 2021

• Equity shares issued as bonus

The Company allotted 191,42,87,591 equity shares as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹86 crore and capital redemption reserve amounting to ₹106 crore in three month period ended June 30, 2018, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

• Equity shares extinguished on buy-back

The Company bought back 5,33,33,333 equity shares for an aggregate amount of ₹16,000 crore being 1.42% of the total paid up equity share capital at ₹3,000 per equity share. The equity shares bought back were extinguished on January 6, 2021.

The Company bought back 7,61,90,476 equity shares for an aggregate amount of ₹16,000 crore being 1.99% of the total paid up equity share capital at ₹2,100 per equity share. The equity shares bought back were extinguished on September 26, 2018.

The Company bought back 5,61,40,350 equity shares for an aggregate amount of ₹16,000 crore being 2.85% of the total paid up equity share capital at ₹2,850 per equity share. The equity shares bought back were extinguished on June 7, 2017.

7) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is

any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Notes forming part of Standalone Financial Statements

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

The details of the right-of-use assets held by the Company is as follows:

	(₹ crore)	
	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold land	-	682
Buildings	840	5,083
Leasehold improvement	6	6
Computer equipment	81	79
Software licences	26	25
Vehicles	1	1
	954	5,876

(₹ crore)

	Additions for the year ended March 31, 2020	Net carrying amount as at March 31, 2020
Leasehold land	474	690
Buildings	1,689	5,336
Leasehold improvement	-	20
Computer equipment	-	-
Vehicles	-	2
	2,163	6,048

Depreciation on right-of-use assets is as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Leasehold land	8	4
Buildings	995	837
Leasehold improvement	3	5
Computer equipment	3	-
Software licences	1	-
Vehicles	1	1
	1,011	847

Interest on lease liabilities is ₹450 crore and ₹416 crore for the years ended March 31, 2021 and 2020, respectively.

Notes forming part of Standalone Financial Statements

The Company incurred ₹189 crore and ₹190 crore for the years ended March 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ₹1,619 crore and ₹1,793 crore for the years ended March 31, 2021 and 2020, respectively, including cash outflow for short-term and low-value leases.

The Company has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is ₹660 crore and ₹457 crore as at March 31, 2021 and 2020, respectively.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

8) Non-financial assets and non-financial liabilities

(a) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Buildings	20 years
Leasehold improvements	Lease term
Plant and equipment	10 years
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	4-10 years
Furniture and fixtures	5 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Notes forming part of Standalone Financial Statements

Property, plant and equipment consist of the following:

	(₹ crore)									
	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2020	323	7,628	1,824	667	7,273	39	2,263	1,882	1,510	23,409
Additions	-	71	53	51	1,610	2	77	28	29	1,921
Disposals	-	(11)	(60)	-	(102)	(5)	(38)	(27)	(30)	(273)
Cost as at March 31, 2021	323	7,688	1,817	718	8,781	36	2,302	1,883	1,509	25,057
Accumulated depreciation as at April 1, 2020	-	(2,518)	(1,042)	(224)	(5,536)	(32)	(1,868)	(1,152)	(1,202)	(13,574)
Depreciation	-	(387)	(126)	(69)	(909)	(4)	(170)	(143)	(115)	(1,923)
Disposals	-	8	60	-	96	5	37	25	30	261
Accumulated depreciation as at March 31, 2021	-	(2,897)	(1,108)	(293)	(6,349)	(31)	(2,001)	(1,270)	(1,287)	(15,236)
Net carrying amount as at March 31, 2021	323	4,791	709	425	2,432	5	301	613	222	9,821
Capital work-in-progress*										861
Total										10,682

*₹1,921 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

	(₹ crore)									
	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2019	323	7,348	1,820	539	6,273	36	2,164	1,802	1,420	21,725
Transition impact of Ind AS 116	-	-	(61)	-	-	-	-	-	-	(61)
Restated cost as at April 1, 2019	323	7,348	1,759	539	6,273	36	2,164	1,802	1,420	21,664
Additions	-	287	188	128	1,190	5	174	98	130	2,200
Disposals	-	(7)	(123)	-	(190)	(2)	(75)	(18)	(40)	(455)
Cost as at March 31, 2020	323	7,628	1,824	667	7,273	39	2,263	1,882	1,510	23,409
Accumulated depreciation as at April 1, 2019	-	(2,150)	(1,010)	(166)	(4,975)	(29)	(1,740)	(1,029)	(1,104)	(12,203)
Transition impact of Ind AS 116	-	-	36	-	-	-	-	-	-	36
Restated accumulated depreciation as at April 1, 2019	-	(2,150)	(974)	(166)	(4,975)	(29)	(1,740)	(1,029)	(1,104)	(12,167)
Depreciation	-	(374)	(115)	(58)	(750)	(5)	(203)	(140)	(137)	(1,782)
Disposals	-	6	47	-	189	2	75	17	39	375
Accumulated depreciation as at March 31, 2020	-	(2,518)	(1,042)	(224)	(5,536)	(32)	(1,868)	(1,152)	(1,202)	(13,574)
Net carrying amount as at March 31, 2020	323	5,110	782	443	1,737	7	395	730	308	9,835
Capital work-in-progress*										781
Total										10,616

*₹2,200 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2020.

Notes forming part of Standalone Financial Statements

(b) Intangible assets

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Intangible assets consist of the following:

Cost as at April 1, 2020

Additions

Disposals / Derecognised

Cost as at March 31, 2021

Accumulated amortisation as at April 1, 2020

Amortisation

Disposals / Derecognised

Accumulated amortisation as at March 31, 2021

Net carrying amount as at March 31, 2021

(₹ crore)	
Rights under licensing agreement and software licences	
Cost as at April 1, 2020	401
Additions	242
Disposals / Derecognised	(63)
Cost as at March 31, 2021	580
Accumulated amortisation as at April 1, 2020	(162)
Amortisation	(119)
Disposals / Derecognised	63
Accumulated amortisation as at March 31, 2021	(218)
Net carrying amount as at March 31, 2021	362

(₹ crore)

Cost as at April 1, 2019

Additions

Cost as at March 31, 2020

Accumulated amortisation as at April 1, 2019

Amortisation

Accumulated amortisation as at March 31, 2020

Net carrying amount as at March 31, 2020

Rights under licensing agreement and software licences	
Cost as at April 1, 2019	229
Additions	172
Cost as at March 31, 2020	401
Accumulated amortisation as at April 1, 2019	(90)
Amortisation	(72)
Accumulated amortisation as at March 31, 2020	(162)
Net carrying amount as at March 31, 2020	239

The estimated amortisation for years subsequent to March 31, 2021 is as follows:

(₹ crore)

Year ending March 31,

2022

2023

2024

2025

Amortisation expense	
Year ending March 31, 2022	142
Year ending March 31, 2023	117
Year ending March 31, 2024	75
Year ending March 31, 2025	28
	362

Notes forming part of Standalone Financial Statements

(c) Other assets

Other assets consist of the following:

Other assets – Non-current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Considered good		
Contract assets	120	145
Prepaid expenses	527	737
Contract fulfillment costs	137	186
Capital advances	65	50
Advances to related parties	33	36
Others	391	272
	1,273	1,426
Advances to related parties, considered good, comprise:		
Voltas Limited	2	3
Tata Realty and Infrastructure Ltd*	-	-
Tata Projects Limited	30	33
Titan Engineering and Automation Limited*	-	-

*Represents value less than ₹0.50 crore.

Other assets – Current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Considered good		
Contract assets	2,931	3,341
Prepaid expenses	4,260	1,381
Prepaid rent	6	4
Contract fulfillment costs	534	396
Advance to suppliers	83	75
Advance to related parties	10	11
Indirect taxes recoverable	1,172	1,131
Others	221	199
Considered doubtful		
Advance to suppliers	3	3
Indirect taxes recoverable	-	2
Other advances	2	3
Less: Allowance on doubtful assets	(5)	(8)
	9,217	6,538
Advance to related parties, considered good comprise:		
The Titan Company Limited	2	3
Tata AIG General Insurance Company Limited	1	-
Tata AIA Life Insurance Company Limited	-	1
Tata Sons Private Limited	7	7

Notes forming part of Standalone Financial Statements

Non-current – Others includes advance of ₹369 crore and ₹271 crore towards acquiring right-of-use of leasehold land as at March 31, 2021 and 2020, respectively.

Contract fulfillment costs of ₹358 crore and ₹406 crore for the years ended March 31, 2021 and 2020, respectively, have been amortised in the standalone statement of profit and loss. Refer note 10 for the changes in contract asset.

(d) Inventories

Inventories consists of a) Raw materials, sub-assemblies and components, b) Work-in-progress, c) Stores and spare parts and d) Finished goods. Inventories are carried at lower of cost and net realisable value. The cost of raw materials, sub-assemblies and components is determined on a weighted average basis. Cost of finished goods produced or purchased by the Company includes direct material and labour cost and a proportion of manufacturing overheads.

Inventories consist of the following:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Raw materials, sub-assemblies and components	7	5
Finished goods and work-in-progress*	-	-
	<u>7</u>	<u>5</u>

*Represents value less than ₹0.50 crore.

(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Advance received from customers	156	226
Indirect taxes payable and other statutory liabilities	2,537	1,762
Operating lease liabilities	-	2
Others	27	58
	<u>2,720</u>	<u>2,048</u>

(f) Provisions

Provisions consist of the following:

Provisions – Current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Provision towards legal claim (Refer note 19)	1,211	-
Provision for foreseeable loss	127	199
Other provisions	12	36
	<u>1,350</u>	<u>235</u>

Notes forming part of Standalone Financial Statements

9) Other equity

Other equity consist of the following:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Capital reserve*	-	-
Capital redemption reserve		
Opening balance	8	8
Transfer from retained earnings	5	-
	13	8
Special Economic Zone re-investment reserve		
Opening balance	1,594	994
Transfer from retained earnings	5,058	2,947
Transfer to retained earnings	(4,114)	(2,347)
	2,538	1,594
Retained earnings		
Opening balance	71,532	77,159
Transition impact of Ind AS 116	-	(330)
Profit for the year	30,960	33,260
Remeasurement of defined employee benefit plans	(13)	(323)
Expenses for buy-back of equity shares ¹	(31)	-
Tax on buy-back of equity shares ¹	(3,726)	-
Buy-back of equity shares ¹	(15,995)	-
Transfer from Special Economic Zone re-investment reserve	4,114	2,347
	86,841	1,12,113

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Less: Appropriations		
Dividend on equity shares	10,850	31,896
Tax on dividend	-	5,738
Transfer to capital redemption reserve ¹	5	-
Transfer to Special Economic Zone re-investment reserve	5,058	2,947
	70,928	71,532
Investment revaluation reserve		
Opening balance	882	258
Change during the year (net)	34	624
	916	882
Cash flow hedging reserve (Refer Note 6(k))		
Opening balance	(23)	104
Change during the year (net)	52	(127)
	29	(23)
	74,424	73,993

*Represents value less than ₹0.50 crore.

¹Refer Note 6(m).

10) Revenue recognition

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price,

Notes forming part of Standalone Financial Statements

unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Consultancy services	1,34,585	1,29,565
Sale of equipment and software licences	1,378	1,741
	1,35,963	1,31,306

Notes forming part of Standalone Financial Statements

Revenue disaggregation by industry vertical is as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Banking, Financial Services and Insurance	51,189	47,811
Manufacturing	11,747	12,161
Retail and Consumer Business	22,219	22,882
Communication, Media and Technology	24,243	23,132
Others	26,565	25,320
	1,35,963	1,31,306

Revenue disaggregation by geography is as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Americas	76,798	74,882
Europe	38,277	35,999
India	8,102	8,716
Others	12,786	11,709
	1,35,963	1,31,306

Geographical revenue is allocated based on the location of the customers.

Information about major customers

No single customer represents 10% or more of the Company's total revenue during the years ended March 31, 2021 and March 31, 2020.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance

obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 91,094 crore out of which 53.98% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	3,486	2,823
Invoices raised that were included in the contract assets balance at the beginning of the year	(2,795)	(2,382)
Increase due to revenue recognised during the year, excluding amounts billed during the year	2,332	2,897
Translation exchange difference	28	148
Balance at the end of the year	3,051	3,486

Notes forming part of Standalone Financial Statements

Changes in unearned and deferred revenue are as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	2,915	2,466
Revenue recognised that was included in the contract liability balance at the beginning of the year	(2,388)	(1,934)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	2,602	2,240
Translation exchange difference	32	143
Balance at the end of the year	3,161	2,915

Reconciliation of revenue recognised with the contracted price is as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Contracted price	1,38,292	1,33,098
Reductions towards variable consideration components	(2,329)	(1,792)
Revenue recognised	1,35,963	1,31,306

The reduction towards variable consideration comprises of volume discounts, service level credits, etc.

11) Other income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Other income consist of the following:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	2,383	3,197
Dividend income	2,213	3,980
Net gain on investments carried at fair value through profit or loss	193	183
Net gain on sale of investments other than equity shares carried at fair value through OCI	-	14
Net gain on disposal of property, plant and equipment	19	50
Net gain on lease modification	89	4
Net foreign exchange gain	428	632
Rent income	7	2
Other income	68	21
	5,400	8,083
Interest income comprise:		
Interest on bank balances and bank deposits	107	479
Interest on financial assets carried at amortised cost	500	531
Interest on financial assets carried at fair value through OCI	1,762	1,878
Other interest (including interest on tax refunds)	14	309
Dividend income comprise:		
Dividend from subsidiaries	2,213	3,980

12) Employee benefits

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations 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.

The Company provides benefits such as gratuity, pension and provident fund (Company managed fund) to its employees which are treated as defined benefit plans.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company provides benefits such as superannuation and foreign defined contribution plans to its employees which are treated as defined contribution plans.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. 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.

Employee benefit expenses consist of the following:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, incentives and allowances	63,006	59,140
Contributions to provident and other funds	4,321	4,020
Staff welfare expenses	1,719	1,746
	69,046	64,906

Notes forming part of Standalone Financial Statements

Employee benefit obligations consist of the following:

Employee benefit obligations – Non-current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Other employee benefit obligations	108	91
	108	91

Employee benefit obligations – Current

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Compensated absences	2,558	2,034
Other employee benefit obligations	40	23
	2,598	2,057

Employee benefit plans consist of the following:

Gratuity and pension

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit 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. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Change in benefit obligations		
Benefit obligations, beginning of the year	3,636	2,678
Plan assumed on insourcing of employees	-	30
Service cost	460	357
Interest cost	244	222
Remeasurement of the net defined benefit liability	135	520
Benefits paid	(162)	(171)
Benefit obligations, end of the year	4,313	3,636

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Change in plan assets		
Fair value of plan assets, beginning of the year	3,641	2,671
Plan assumed on insourcing of employees	-	30
Interest income	269	234
Employers' contributions	837	766
Benefits paid	(162)	(171)
Remeasurement - return on plan assets excluding amount included in interest income	119	111
Fair value of plan assets, end of the year	4,704	3,641

Notes forming part of Standalone Financial Statements

(₹ crore)

Funded status

Deficit of plan assets over obligations	-	-
Surplus of plan assets over obligations	391	5
	391	5

(₹ crore)

Category of assets

	As at March 31, 2021	As at March 31, 2020
Corporate bonds	1,408	1,004
Equity instruments	29	17
Government bonds and securities	2,257	1,695
Insurer managed funds	909	850
Bank balances	2	-
Others	99	75
	4,704	3,641

Net periodic gratuity cost, included in employee cost consists of the following components:

(₹ crore)

Service cost	
Net interest on net defined benefit (asset) / liability	

Net periodic gratuity cost

Actual return on plan assets

Year ended March 31, 2021	Year ended March 31, 2020
460	357
(25)	(12)
435	345
388	345

Remeasurement of the net defined benefit (asset) / liability:

(₹ crore)

Actuarial (gains) and losses arising from changes in demographic assumptions

Actuarial (gains) and losses arising from changes in financial assumptions

Actuarial (gains) and losses arising from changes in experience adjustments

Remeasurement of the net defined benefit liability

Remeasurement - return on plan assets excluding amount included in interest income

As at March 31, 2021	As at March 31, 2020
24	(5)
(32)	345
143	180
135	520
(119)	(111)
16	409

Notes forming part of Standalone Financial Statements

The assumptions used in accounting for the defined benefit plan are set out below:

	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.50%	6.50%
Rate of increase in compensation levels of covered employees	6.00%	6.00%
Rate of return on plan assets	6.50%	6.50%
Weighted average duration of defined benefit obligations	10 Years	8 Years

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2021. The Company is expected to contribute ₹116 crore to defined benefit plan obligations funds for year ending March 31, 2022.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Increase of 0.50%	(190)	(151)
Decrease of 0.50%	206	163

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Increase of 0.50%	206	163
Decrease of 0.50%	(192)	(152)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes forming part of Standalone Financial Statements

Each year an Asset - Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

The defined benefit obligations shall mature after the year ended March 31, 2021 as follows:

Year ending March 31,	(₹ crore)
	Defined benefit obligations
2022	321
2023	277
2024	294
2025	307
2026	307
2027-2031	1,638

Provident fund

In accordance with Indian law, all eligible employees of the Company in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in

statement of profit and loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	20,003	17,072
Present value of defined benefit obligations	(20,003)	(17,072)
Net excess / (shortfall)	-	-

The plan assets have been primarily invested in Government securities and corporate bonds.

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.50%	6.50%
Average remaining tenure of investment portfolio	8 years	7.73 years
Guaranteed rate of return	8.50%	8.50%

Notes forming part of Standalone Financial Statements

The Company expensed ₹1,078 crore and ₹1,035 crore for the years ended March 31, 2021 and 2020, respectively, towards provident fund.

Superannuation

All eligible employees on Indian payroll are entitled to benefits under Superannuation, a defined contribution plan. The Company makes monthly contributions until retirement or resignation of the employee. The Company recognises such contributions as an expense when incurred. The Company has no further obligation beyond its monthly contribution.

The Company expensed ₹254 crore and ₹248 crore for the years ended March 31, 2021 and 2020, respectively, towards Employees' Superannuation Fund.

Foreign defined contribution plan

The Company expensed ₹658 crore and ₹549 crore for the years ended March 31, 2021 and 2020, respectively, towards foreign defined contribution plans.

13) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licences, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

(a) Cost of equipment and software licences

Cost of equipment and software licences consist of the following:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials, sub-assemblies and components consumed	14	18
Equipment and software licences purchased	1,215	1,578
	<u>1,229</u>	<u>1,596</u>
Finished goods and work-in-progress		
Opening stock	1	-
Less: Closing stock	-	-
	<u>1</u>	<u>-</u>
	<u>1,230</u>	<u>1,596</u>

(b) Other expenses

Other expenses consist of the following:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fees to external consultants	14,527	13,916
Facility expenses	1,708	2,175
Travel expenses	919	2,569
Communication expenses	1,254	985
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	185	132
Other expenses	6,784	7,674
	<u>25,377</u>	<u>27,451</u>

Notes forming part of Standalone Financial Statements

Other expenses include ₹2,944 crore and ₹3,547 crore for the years ended March 31, 2021 and 2020, respectively, towards sales, marketing and advertisement expenses.

(c) Corporate Social Responsibility (CSR) expenditure

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the years ended March 31, 2021 and 2020 is ₹663 crore and ₹600 crore, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on CSR. The Company incurred an amount of ₹674 crore and ₹602 crore during the years ended March 31, 2021 and 2020, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

14) Finance costs

Finance costs consist of the following:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	450	416
Interest on tax matters	85	256
Other interest costs	2	71
	537	743

15) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

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 and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The income tax expense consists of the following:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax expense for current year	10,404	8,440
Current tax (benefit) / expense pertaining to prior years	(104)	572
	10,300	9,012
Deferred tax		
Deferred tax (benefit) / expense for current year	(294)	1,168
Deferred tax (benefit) / expense pertaining to prior years	(64)	(1,449)
	(358)	(281)
	9,942	8,731

Notes forming part of Standalone Financial Statements

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before taxes	40,902	41,991
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	14,293	14,673
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(4,708)	(4,856)
Income exempt from tax	(773)	(14)
Undistributed earnings in branches	26	(15)
Tax on income at different rates	1,103	(300)
Tax pertaining to prior years	(168)	(877)
Others (net)	169	120
Total income tax expense	9,942	8,731

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from

export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 1, 2011 profits from units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

	(₹ crore)				
	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / utilisation	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment and intangible assets	162	128	-	-	290
Provision for employee benefit obligations	468	171	-	-	639
Cash flow hedges	7	-	(15)	-	(8)
Receivables, financial assets at amortised cost	327	9	-	-	336
MAT credit entitlement	1,049	64	-	597	1,710
Branch profit tax	(284)	(26)	-	-	(310)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(483)	-	(17)	-	(500)
Lease liabilities	308	(98)	-	-	210
Others	318	110	-	-	428
	1,872	358	(32)	597	2,795

Notes forming part of Standalone Financial Statements

Gross deferred tax assets and liabilities are as follows:

	(₹ crore)		
As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and Intangible assets	345	55	290
Provision for employee benefit obligations	639	-	639
Cash flow hedges	(8)	-	(8)
Receivables, financial assets at amortised cost	336	-	336
MAT credit entitlement	1,710	-	1,710
Branch profit tax	-	310	(310)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(500)	-	(500)
Lease liabilities	210	-	210
Others	428	-	428
	3,160	365	2,795

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

	(₹ crore)				
	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / utilisation	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment and intangible assets	97	65	-	-	162
Provision for employee benefit obligations	368	100	-	-	468
Cash flow hedges	(12)	-	19	-	7
Receivables, financial assets at amortised cost	284	43	-	-	327
MAT credit entitlement	1,157	(108)	-	-	1,049
Branch profit tax	(299)	15	-	-	(284)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(149)	-	(334)	-	(483)
Lease liabilities*	235	73	-	-	308
Others	225	93	-	-	318
	1,906	281	(315)	-	1,872

*Opening balance of deferred tax on lease liabilities has been restated by ₹147 crore to give impact of transition to Ind AS 116.

Notes forming part of Standalone Financial Statements

Gross deferred tax assets and liabilities are as follows:

	(₹ crore)		
As at March 31, 2020	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and Intangible assets	225	63	162
Provision for employee benefit obligations	468	-	468
Cash flow hedges	7	-	7
Receivables, financial assets at amortised cost	327	-	327
MAT credit entitlement	1,049	-	1,049
Branch profit tax	-	284	(284)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(483)	-	(483)
Lease liabilities	308	-	308
Others	318	-	318
	2,219	347	1,872

Under the Income-tax Act, 1961, the Company is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Direct tax contingencies

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received.

The Company has contingent liability in respect of demands from direct tax authorities in India and other jurisdictions, which are being contested by the Company on appeal amounting ₹891 crore and ₹1,453 crore as at March 31, 2021 and 2020, respectively. In respect of tax contingencies of ₹318 crore and ₹318 crore as at March 31, 2021 and 2020, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions it operates in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2017 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2016 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2017 and earlier.

Notes forming part of Standalone Financial Statements

16) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during year. The Company did not have any potentially dilutive securities in any of years presented.

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (₹ crore)	30,960	33,260
Weighted average number of equity shares	374,01,10,733	375,23,84,706
Basic and diluted earnings per share (₹)	82.78	88.64
Face value per equity share (₹)	1	1

17) Auditors remuneration

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Services as statutory auditors (including quarterly audits)	9	7
Tax audit	1	1
Services for tax matters	—*	—*
Other services	4	4
Re-imbursement of out-of-pocket expenses	1	1

*Represents value less than ₹0.50 crore.

18) Segment information

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

19) Commitments and Contingencies

Capital commitments

The Company has contractually committed (net of advances) ₹1,009 crore and ₹1,272 crore as at March 31, 2021 and 2020, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

Refer note 15.

- **Indirect tax matters**

The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company has demands amounting to ₹495 crore and ₹464 crore as at March 31, 2021 and 2020, respectively, from various indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants.

- **Other claims**

Claims aggregating ₹105 crore and ₹133 crore as at March 31, 2021 and 2020, respectively, against the Company have not been acknowledged as debts.

In addition to above, in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin alleging unauthorised access to and download of their confidential information and use thereof in the development of the Company's product MedMantra. In April 2016, the Company received an unfavourable jury verdict awarding damages of ₹6,900 crore (US \$940 million) to Epic which was thereafter reduced by the Trial Court to ₹3,083 crore (US \$420 million). Pursuant to

reaffirmation of the District Court order in March 2019, the Company filed an appeal in the Appeals Court to fully set aside the Order. Epic also filed a cross appeal challenging the reduction by the District Court judge of ₹734 crore (US \$100 million) award and ₹1,468 crore (US \$200 million) in punitive damages. On August 20, 2020, the Appeals Court vacated the award of ₹2,055 crore (US \$280 million) in punitive damages considering the award to be constitutionally excessive and remanded the case back to District Court with instructions to reassess and reduce the punitive damages award to at most ₹1,028 crore (US \$140 million), affirmed the District Court's decision vacating the jury's award of ₹734 crore (US \$100 million) in compensatory damages for alleged use of "other confidential information" by the Company, and affirmed the District Court's decision upholding the jury's award of ₹1,028 crore (US \$140 million) in compensatory damages for use of the comparative analysis by the Company. The Company filed a petition for re-hearing of compensatory and punitive damages at the Appeals Court on September 3, 2020. Epic also filed for re-hearing that portion of the Appeals Court's decision that invalidated award of punitive damages. In November 2020, the petitions for re-hearing filed by the Company and Epic, respectively, were denied by the Appeals Court. The proceedings for assessing punitive damages have been remanded back to the District Court. Both the Company and Epic have filed their briefs at the District Court in relation to punitive damages. The matter is under consideration by the District Court. On April 8, 2021, Epic has approached the Supreme Court seeking review of the order of the Appeals Court vacating the award of ₹2,055 crore (US \$280 million) towards punitive damages and remanding back to District Court with an instruction to reassess the punitive damages, to no more than ₹1,028 crore (US \$140 million). The Company will continue to pursue all legal options available in the matter. Considering all the facts and various legal precedence, on a conservative and prudent basis, the Company has provided ₹1,218 crore (US \$165 million) towards this legal claim in its

statement of profit and loss for the year ended March 31, 2021. This has been presented as an "exceptional item" in the standalone statement of profit and loss.

Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹3,230 crore (US \$440 million) as financial security in order to stay execution of the judgement pending post-appeal proceedings and conclusion.

- **Bank guarantees and letter of comfort**

The Company has given letter of comfort to banks for credit facilities availed by its subsidiaries. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

The Company has provided guarantees to third parties on behalf of its subsidiaries. The Company does not expect any outflow of resources in respect of the above.

The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

- 20) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes forming part of Standalone Financial Statements

21) Related party transactions

The Company's principal related parties consist of its holding company, Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business. Refer note 22 of consolidated financial statement for list of subsidiaries of the Company.

Transactions with related parties are as follows:

(₹ crore)

	Year ended March 31, 2021					Total
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	
Revenue from operations	35	18,245	591	1,752	-	20,623
Dividend income	-	2,215	-	-	-	2,215
Rent income	-	12	-	-	-	12
Other income	-	40	-	-	-	40
Purchases of goods and services (including reimbursements)	1	8,798	444	355	-	9,598
Brand equity contribution	100	-	-	-	-	100
Facility expenses	-	87	17	42	-	146
Lease rental	1	-	36	45	-	82
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	-	3	-	-	3
Contribution and advance to post employment benefit plans	-	-	-	-	5,913	5,913
Purchase of property, plant and equipment	-	-	3	88	-	91
Loans and advances given	-	-	1	6	-	7
Loans and advances recovered	-	-	1	10	-	11
Advances taken	-	3	1	4	-	8
Dividend paid	7,817	-	4	3	-	7,824
Guarantees given	-	1	-	-	-	1
Buy-back of shares	9,998	-	4	-	-	10,002
Sale / Redemption of investments	-	12	-	-	-	12
Purchase of investments	-	224	-	-	-	224
Cost recovery	-	2,840	-	-	-	2,840

Notes forming part of Standalone Financial Statements

(₹ crore)

	Year ended March 31, 2020					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	31	16,998	409	1,859	-	19,297
Dividend income	-	3,979	-	-	-	3,979
Rent income*	-	-	-	-	-	-
Other income	-	39	-	-	-	39
Purchases of goods and services (including reimbursements)	1	8,943	550	448	-	9,942
Brand equity contribution	100	-	-	-	-	100
Facility expenses	-	28	2	1	-	31
Lease rental	2	-	68	26	-	96
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	1	-	-	1	-	2
Contribution and advance to post employment benefit plans	-	-	-	-	2,684	2,684
Purchase of property, plant and equipment	-	-	219	110	-	329
Loans and advances given	-	1	4	85	-	90
Loans and advances recovered	-	7	3	30	-	40
Dividend paid	22,971	-	9	-	-	22,980
Guarantees given	-	2	-	-	-	2
Cost recovery	-	2,998	-	-	-	2,998

*Represents value less than ₹0.50 crore.

Notes forming part of Standalone Financial Statements

Balances receivable from related parties are as follows:

(₹ crore)

	As at March 31, 2021					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables, unbilled receivables and contract assets	8	4,392	255	519	-	5,174
Loans, other financial assets and other assets	9	65	21	62	-	157
	<u>17</u>	<u>4,457</u>	<u>276</u>	<u>581</u>	<u>-</u>	<u>5,331</u>

(₹ crore)

	As at March 31, 2020					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables, unbilled receivables and contract assets	4	6,582	223	449	-	7,258
Loans, other financial assets and other assets	10	62	30	65	-	167
	<u>14</u>	<u>6,644</u>	<u>253</u>	<u>514</u>	<u>-</u>	<u>7,425</u>

Notes forming part of Standalone Financial Statements

Balances payable to related parties are as follows:

	(₹ crore)					
	As at March 31, 2021					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	91	3,604	296	393	-	4,384
Commitments and Guarantees	-	4,669	10	270	-	4,949

	(₹ crore)					
	As at March 31, 2020					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	93	4,152	245	215	-	4,705
Commitments and Guarantees	-	4,302	11	367	-	4,680

Notes forming part of Standalone Financial Statements

Material related party transactions are as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations		
Tata Consultancy Services Sverige AB	1,939	1,713
Tata Consultancy Services Canada Inc.	2,034	1,934
Tata Consultancy Services Deutschland GmbH	2,504	2,020
Tata Consultancy Services Netherlands BV	2,848	3,364
Jaguar Land Rover Limited	1,093	1,142
Purchases of goods and services (including reimbursements)		
Tata America International Corporation	2,803	3,416
Tata Consultancy Services De Mexico S.A.,De C.V.	1,637	1,414
TCS Foundation	350	552
Dividend income		
Tata America International Corporation	1,002	1,752
Tata Consultancy Services Canada Inc.	193	694
Tata Consultancy Services Netherlands BV	405	239

Material related party balances are as follows:

	(₹ crore)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables, unbilled receivables and contract assets		
Tata America International Corporation	456	98
Tata Consultancy Services Sverige AB	219	650
Tata Consultancy Services France	1,028	900
Tata Consultancy Services Netherlands BV	244	727
Tata Consultancy Services Asia Pacific Pte Ltd.	271	635
Diligenta Limited	594	311
Jaguar Land Rover Limited	290	209
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata America International Corporation	1,519	1,314
Tata Consultancy Services De Mexico S.A.,De C.V.	168	402

Notes forming part of Standalone Financial Statements

Transactions with key management personnel are as follows:

	(₹ crore)	
	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits	43	28
Dividend paid during the year	1	2
	44	30

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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.

- 22)** The sitting fees and commission paid to non-executive directors is ₹10 crore and ₹9 crore as at March 31, 2021 and 2020, respectively.

23) Dividends

Dividends paid during the year ended March 31, 2021 include an amount of ₹6.00 per equity share towards final dividend for the year ended March 31, 2020 and an amount of ₹23.00 per equity share towards interim dividends for

the year ended March 31, 2021. Dividends paid during the year ended March 31, 2020 include an amount of ₹18.00 per equity share towards final dividend for the year ended March 31, 2019 and an amount of ₹67.00 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2020.

Dividends declared by the Company are based on the profit available for distribution. On April 12, 2021, the Board of Directors of the Company have proposed a final dividend of ₹15.00 per share in respect of the year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹5,549 crore.

As per our report of even date attached

For and on behalf of the Board

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no:
101248W/W-100022

Rajesh Gopinathan
CEO and
Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Amit Somani
Partner
Membership No: 060154

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Bengaluru, April 12, 2021

Mumbai, April 12, 2021

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014
in the prescribed Form AOC-1 relating to subsidiary companies**

Sr. No.	Name of the Subsidiary Company	Date of becoming subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of Shareholding	Country		
						₹ crore														
1	APTOnline Limited	August 9, 2004	April 1, 2020	March 31, 2021	INR	1.000000	2	99	164	63	22	151	21	6	15	-	89%	India		
2	MP Online Limited	September 8, 2006	April 1, 2020	March 31, 2021	INR	1.000000	1	103	156	52	93	70	22	5	17	-	89%	India		
3	C-Edge Technologies Limited	January 19, 2006	April 1, 2020	March 31, 2021	INR	1.000000	10	267	379	102	-	303	97	25	72	-	51%	India		
4	MahaOnline Limited	September 23, 2010	April 1, 2020	March 31, 2021	INR	1.000000	3	79	199	117	39	36	5	2	3	-	74%	India		
5	CMC Americas, Inc.	August 9, 2004	April 1, 2020	March 31, 2021	USD	73.402500	-	-	-	-	-	62	30	-	30	-	-	U.S.A.		
6	TCS e-Serve International Limited	December 31, 2008	April 1, 2020	March 31, 2021	INR	1.000000	10	59	722	653	12	1,485	58	7	51	-	100%	India		
7	TCS e-Serve America, Inc.	February 10, 2009	January 1, 2020	December 31, 2020	USD	73.402500	2	-	2	-	-	97	17	2	15	-	100%	U.S.A.		
8	Diligenta Limited	August 23, 2005	January 1, 2020	December 31, 2020	GBP	101.060549	10	1,393	2,509	1,106	384	3,899	331	56	275	-	100%	U.K.		
9	Tata Consultancy Services Canada Inc.	October 1, 2009	April 1, 2020	March 31, 2021	CAD	58.269826	41	929	1,990	1,020	-	6,268	656	173	483	-	100%	Canada		
10	Tata America International Corporation	August 9, 2004	April 1, 2020	March 31, 2021	USD	73.402500	1	1,173	3,003	1,829	98	3,052	913	261	652	-	100%	U.S.A.		
11	Tata Consultancy Services Asia Pacific Pte Ltd.	August 9, 2004	April 1, 2020	March 31, 2021	USD	73.402500	32	853	1,494	609	794	2,103	262	34	228	-	100%	Singapore		
12	Tata Consultancy Services (China) Co., Ltd.	November 16, 2006	January 1, 2020	December 31, 2020	CNY	11.196574	226	4	324	94	-	779	68	15	53	-	93.2%	China		
13	Tata Consultancy Services Japan, Ltd.	July 1, 2014	April 1, 2020	March 31, 2021	JPY	0.663465	287	1,135	2,762	1,340	-	4,852	317	98	219	-	66%	Japan		
14	Tata Consultancy Services Malaysia Sdn Bhd	August 9, 2004	April 1, 2020	March 31, 2021	MYR	17.704414	4	90	175	81	-	439	36	8	28	-	100%	Malaysia		
15	PT Tata Consultancy Services Indonesia	October 5, 2006	April 1, 2020	March 31, 2021	IDR	0.005054	1	28	70	41	-	88	17	5	12	-	100%	Indonesia		
16	Tata Consultancy Services (Philippines) Inc.	September 19, 2008	April 1, 2020	March 31, 2021	PHP	1.512440	(42)	140	393	295	-	648	8	5	3	-	100%	Philippines		

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Sr. No.	Name of the Subsidiary Company	Date of becoming subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of Shareholding	Country
						₹ crore												
17	Tata Consultancy Services (Thailand) Limited	May 12, 2008	April 1, 2020	March 31, 2021	THB	2.343630	2	13	44	29	-	102	13	3	10	-	100%	Thailand
18	Tata Consultancy Services Belgium	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	2	509	917	406	-	2,251	220	55	165	-	100%	Belgium
19	Tata Consultancy Services Deutschland GmbH	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	1	691	1,805	1,113	-	5,493	322	108	214	-	100%	Germany
20	Tata Consultancy Services Sverige AB	August 9, 2004	April 1, 2020	March 31, 2021	SEK	8.425738	-	758	1,312	554	-	3,646	194	43	151	-	100%	Sweden
21	Tata Consultancy Services Netherlands BV	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	569	2,242	3,700	889	1,653	5,371	405	61	344	-	100%	Netherlands
22	TCS Italia s.r.l.	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	19	39	162	104	-	413	44	18	26	-	100%	Italy
23	Tata Consultancy Services Luxembourg S.A.	October 28, 2005	April 1, 2020	March 31, 2021	EUR	86.203859	48	62	244	134	-	640	74	21	53	-	100%	Capellen (G.D. de Luxembourg)
24	Tata Consultancy Services Switzerland Ltd.	October 31, 2006	April 1, 2020	March 31, 2021	CHF	77.946798	12	533	1,261	716	-	2,944	297	56	241	-	100%	Switzerland
25	Tata Consultancy Services Österreich GmbH	March 9, 2012	April 1, 2020	March 31, 2021	EUR	86.203859	-	5	14	9	-	66	-	-	-	-	100%	Austria
26	Tata Consultancy Services Danmark ApS	March 16, 2012	April 1, 2020	March 31, 2021	DKK	11.590112	1	5	14	8	-	16	-	-	-	-	100%	Denmark
27	Tata Consultancy Services De Espana S.A.	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	1	52	155	102	-	363	13	2	11	-	100%	Spain
28	Tata Consultancy Services (Portugal) Unipessoal, Limitada	July 4, 2005	April 1, 2020	March 31, 2021	EUR	86.203859	-	5	31	26	-	32	5	-	5	-	100%	Portugal
29	Tata Consultancy Services France	June 28, 2013	April 1, 2020	March 31, 2021	EUR	86.203859	4	(436)	1,311	1,743	-	2,106	(3)	7	(10)	-	100%	France
30	Tata Consultancy Services Saudi Arabia	July 2, 2015	April 1, 2020	March 31, 2021	SAR	19.571390	7	264	333	62	-	321	32	6	26	-	76%	Saudi Arabia

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							₹ crore											
31	Tata Consultancy Services (Africa) (PTY) Ltd.	October 23, 2007	April 1, 2020	March 31, 2021	ZAR	4.952768	7	46	53	-	53	-	29	-	29	-	100%	South Africa
32	Tata Consultancy Services (South Africa) (PTY) Ltd.	October 31, 2007	April 1, 2020	March 31, 2021	ZAR	4.952768	9	76	326	241	-	849	50	13	37	-	100%	South Africa
33	TCS FNS Pty Limited	October 17, 2005	April 1, 2020	March 31, 2021	AUD	55.910684	208	(63)	145	-	2	-	84	-	84	-	100%	Australia
34	TCS Financial Solutions Beijing Co., Ltd.	December 29, 2006	January 1, 2020	December 31, 2020	CNY	11.196574	41	(4)	62	25	-	73	9	-	9	-	100%	China
35	TCS Financial Solutions Australia Pty Limited	October 19, 2005	April 1, 2020	March 31, 2021	AUD	55.910684	-	81	136	55	40	78	60	18	42	-	100%	Australia
36	TCS Iberoamerica SA	August 9, 2004	April 1, 2020	March 31, 2021	USD	73.402500	722	866	1,596	8	1,587	-	383	1	382	-	100%	Uruguay
37	TCS Solution Center S.A.	August 9, 2004	April 1, 2020	March 31, 2021	UYU	1.656194	59	283	481	139	-	747	142	27	115	-	100%	Uruguay
38	Tata Consultancy Services Argentina S.A.	August 9, 2004	April 1, 2020	March 31, 2021	ARS	0.798238	4	(2)	36	34	-	35	(1)	-	(1)	-	100%	Argentina
39	Tata Consultancy Services Do Brasil Ltda	August 9, 2004	January 1, 2020	December 31, 2020	BRL	12.711490	223	(23)	402	202	-	712	107	40	67	-	100%	Brazil
40	Tata Consultancy Services De Mexico S.A., De C.V.	August 9, 2004	January 1, 2020	December 31, 2020	MXN	3.572698	1	1,003	1,545	541	-	2,470	373	117	256	-	100%	Mexico
41	Tata Consultancy Services Chile S.A.	August 9, 2004	January 1, 2020	December 31, 2020	CLP	0.100520	171	222	551	158	56	529	(8)	(5)	(3)	-	100%	Chile
42	TCS Inversiones Chile Limitada	August 9, 2004	January 1, 2020	December 31, 2020	CLP	0.100520	154	173	338	11	323	36	3	1	2	-	100%	Chile
43	TATASOLUTION CENTER S.A.	December 28, 2006	January 1, 2020	December 31, 2020	USD	73.402500	22	81	194	91	-	436	63	18	45	-	100%	Ecuador
44	TCS Uruguay S.A.	January 1, 2010	April 1, 2020	March 31, 2021	UYU	1.656194	-	96	161	65	-	415	303	19	284	-	100%	Uruguay
45	MGDC S.C.	January 1, 2010	January 1, 2020	December 31, 2020	MXN	3.572698	-	57	118	61	-	98	54	10	44	-	100%	Mexico
46	Technology Outsourcing S.A.C.	October 30,2015	January 1, 2020	December 31, 2020	PEN	19.459320	-	-	-	-	-	24	(3)	4	(7)	-	-	Peru
47	Tata Consultancy Services Qatar S.S.C.	December 20, 2011	April 1, 2020	March 31, 2021	QAR	20.156662	4	27	59	28	-	60	-	-	-	-	100%	Qatar

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014
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Sr. No.	Name of the Subsidiary Company	Date of becoming subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of Shareholding	Country
48	W12 Studios Limited	October 31, 2018	June 1, 2020	May 31, 2021	GBP	101.060549	-	28	28	-	-	-	-	-	-	-	100%	U.K.
49	TCS Business Services GmbH	March 9, 2020	April 1, 2020	March 31, 2021	EUR	86.203859	-	(28)	118	146	55	108	(4)	(1)	(3)	-	100%	Germany
50	Tata Consultancy Services Ireland Limited	December 2, 2020	January 1, 2020	December 31, 2020	EUR	86.203859	216	14	426	196	-	234	15	1	14	-	100%	Ireland
51	Postbank Systems AG	January 1, 2021	January 1, 2020	December 31, 2020	EUR	86.203859	28	(49)	2,132	2,153	-	382	(50)	-	(50)	-	100%	Germany
52	TCS Foundation	March 25, 2015	April 1, 2020	March 31, 2021	INR	1.000000	1	1,087	1,092	4	161	-	93	-	93	-	100%	India

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 March 31, 2021.
2. Equity stake in Technology Outsourcing S.A.C. was sold on December 1, 2020.
3. Tata Consultancy Services Ireland Limited was incorporated on December 2, 2020.
4. CMC Americas, Inc. was liquidated w.e.f. December 16, 2020.
5. Equity stake in Postbank Systems AG acquired w.e.f. January 1, 2021.
6. Tata Consultancy Services France SA was renamed as Tata Consultancy Services France.

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021