Balance Sheet

(₹ crore)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**9,522**	9,430
(b) Capital work-in-progress		**834**	1,238
(c) Intangible assets	5	**139**	10
(d) Financial assets			
(i) Investments	6(A)	**2,189**	2,186
(ii) Trade receivables	12(A)	**95**	94
(iii) Unbilled receivables (Previous year: Unbilled revenue)		**387**	179
(iv) Loans receivables	7(A)	**2**	1,503
(v) Other financial assets	8(A)	**565**	504
(e) Income tax assets (net)		**3,598**	3,824
(f) Deferred tax assets (net)	9	**2,097**	3,051
(g) Other assets	10(A)	**1,040**	815
Total non-current assets		**20,468**	22,834
Current assets			
(a) Inventories	11	**10**	25
(b) Financial assets			
(i) Investments	6(B)	**28,280**	35,073
(ii) Trade receivables	12(B)	**24,029**	18,882
(iii) Unbilled receivables (Previous year: Unbilled revenue)		**4,389**	5,330
(iv) Cash and cash equivalents	13	**3,327**	1,278
(v) Other balances with banks	14	**5,573**	2,209
(vi) Loans receivables	7(B)	**7,018**	2,793
(vii) Other financial assets	8(B)	**1,613**	807
(c) Other assets	10(B)	**4,793**	1,825
Total current assets		**79,032**	68,222
TOTAL ASSETS		**99,500**	91,056
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	15	**375**	191
(b) Other equity	16	**78,523**	75,675
Total equity		**78,898**	75,866
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(A)	**33**	39
(ii) Other financial liabilities	18(A)	**232**	246
(b) Unearned and deferred revenue		**662**	-
(c) Employee benefit obligations	23(A)	**82**	62
(d) Provisions	19(A)	**-**	26
(e) Deferred tax liabilities (net)	9	**339**	424
(f) Other liabilities	20(A)	**358**	335
Total non-current liabilities		**1,706**	1,132
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(B)	**-**	181
(ii) Trade payables			
1. Dues of micro enterprises and small enterprises	34	**22**	6
2. Dues of creditors other than micro enterprises and small enterprises		**7,670**	4,769
(iii) Other financial liabilities	18(B)	**3,351**	2,739
(b) Unearned and deferred revenue		**1,804**	1,711
(c) Income tax liabilities (net)		**2,157**	1,144
(d) Employee benefit obligations	23(B)	**1,776**	1,478
(e) Provisions	19(B)	**174**	171
(f) Other liabilities	20(B)	**1,942**	1,859
Total current liabilities		**18,896**	14,058
TOTAL EQUITY AND LIABILITIES		**99,500**	91,056
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-37		

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 12, 2019

N Chandrasekaran
Chairman

V Ramakrishnan
CFO

O P Bhatt
Director

Hanne Birgitte Breinbjerg Sorensen
Director

Rajesh Gopinathan
CEO and Managing Director

Aman Mehta
Director

Aarthi Subramanian
Director

Dr Pradeep Kumar Khosla
Director

N Ganapathy Subramaniam
COO and Executive Director

Dr Ron Sommer
Director

Keki M Mistry
Director

Daniel Hughes Callahan
Director

Rajendra Moholkar
Company Secretary

Statement of Profit and Loss

(₹ crore)

	Note	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue	21	**123,170**	97,356
II. Other income	22	**7,627**	5,803
III. TOTAL INCOME		**130,797**	103,159
IV. **Expenses**			
(a) Employee benefit expenses	23	**59,377**	51,499
(b) Cost of equipment and software licences	24	**2,003**	2,006
(c) Depreciation and amortisation expense		**1,716**	1,647
(d) Other expenses	25	**26,826**	16,046
(e) Finance costs		**170**	30
TOTAL EXPENSES		**90,092**	71,228
V. PROFIT BEFORE TAX		**40,705**	31,931
VI. **Tax expense**			
(a) Current tax	9	**9,943**	6,878
(b) Deferred tax	9	**697**	(188)
TOTAL TAX EXPENSE		**10,640**	6,690
VII. PROFIT FOR THE YEAR		**30,065**	25,241
VIII. OTHER COMPREHENSIVE INCOME (OCI)			
(A) (i) **Items that will not be reclassified subsequently to profit or loss**			
(a) Remeasurement of defined employee benefit plans		**(17)**	86
(b) Net change in fair values of investments in equity shares carried at fair value through OCI		**(1)**	(19)
(ii) **Income tax on items that will not be reclassified subsequently to profit or loss**		**3**	-
(B) (i) **Items that will be reclassified subsequently to profit or loss**			
(a) Net change in fair values of investments other than equity shares carried at fair value through OCI		**425**	(821)
(b) Net change in intrinsic value of derivatives designated as cash flow hedges		**153**	(122)
(c) Net change in time value of derivatives designated as cash flow hedges		**44**	(59)
(ii) **Income tax on items that will be reclassified subsequently to profit or loss**		**(171)**	306
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**436**	(629)
IX. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**30,501**	24,612
X. **Earnings per equity share:- Basic and diluted (₹)**	30	**79.34**	65.57
Weighted average number of equity shares		**378,97,49,350**	384,91,85,612
XI. NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-37		

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 12, 2019

For and on behalf of the Board

N Chandrasekaran
Chairman

V Ramakrishnan
CFO

O P Bhatt
Director

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Rajesh Gopinathan
CEO and Managing Director

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N Ganapathy Subramaniam
COO and Executive Director

Dr Ron Sommer
Director

Keki M Mistry
Director

Daniel Hughes Callahan
Director

Rajendra Moholkar
Company Secretary

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2017	Changes in equity share capital during the year*	Balance as at March 31, 2018
197	(6)	191

(₹ crore)

Balance as at April 1, 2018	**Changes in equity share capital during the year***	**Balance as at March 31, 2019**
191	**184**	**375**

*Refer note 15.

B. OTHER EQUITY

(₹ crore)

	Reserves and surplus						Items of other comprehensive income			
	Capital reserve#	Securities premium	Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve		Total equity
								Intrinsic value	Time value	
Balance as at April 1, 2017	-	1,919	100	9,118	97	65,965	538	105	(17)	77,825
Profit for the year	-	-	-	-	-	25,241	-	-	-	25,241
Other comprehensive income / (losses)	-	-	-	-	-	86	(556)	(107)	(52)	(629)
Total comprehensive income	-	-	-	-	-	25,327	(556)	(107)	(52)	24,612
Dividend (including tax on dividend of ₹ 1,442 crore)	-	-	-	-	-	(10,726)	-	-	-	(10,726)
Buy-back of equity shares*	-	(1,919)	6	(9,118)	-	(4,963)	-	-	-	(15,994)
Expenses for buy-back of equity shares*	-	-	-	-	-	(42)	-	-	-	(42)
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	1,579	(1,579)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(98)	98	-	-	-	-
Balance as at March 31, 2018	-	-	106	-	1,578	74,080	(18)	(2)	(69)	75,675
Balance as at April 1, 2018	**-**	**-**	**106**	**-**	**1,578**	**74,080**	**(18)**	**(2)**	**(69)**	**75,675**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**30,065**	**-**	**-**	**-**	**30,065**
Other comprehensive income / (losses)	**-**	**-**	**-**	**-**	**-**	**(14)**	**275**	**136**	**39**	**436**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**30,051**	**275**	**136**	**39**	**30,501**
Dividend (including tax on dividend of ₹ 1,339 crore)	**-**	**-**	**-**	**-**	**-**	**(11,424)**	**-**	**-**	**-**	**(11,424)**
Buy-back of equity shares*	**-**	**-**	**8**	**-**	**-**	**(16,000)**	**-**	**-**	**-**	**(15,992)**
Expenses for buy-back of equity shares*	**-**	**-**	**-**	**-**	**-**	**(45)**	**-**	**-**	**-**	**(45)**
Issue of bonus shares*	**-**	**-**	**(106)**	**-**	**-**	**(86)**	**-**	**-**	**-**	**(192)**
Realised loss on equity shares carried at fair value through OCI	**-**	**-**	**-**	**-**	**-**	**(1)**	**1**	**-**	**-**	**-**
Transfer to Special Economic Zone re-investment reserve	**-**	**-**	**-**	**-**	**2,750**	**(2,750)**	**-**	**-**	**-**	**-**
Transfer from Special Economic Zone re-investment reserve	**-**	**-**	**-**	**-**	**(3,334)**	**3,334**	**-**	**-**	**-**	**-**
Balance as at March 31, 2019	**-**	**-**	**8**	**-**	**994**	**77,159**	**258**	**134**	**(30)**	**78,523**

*Refer note 15.

#Represents values less than ₹ 0.50 crore.

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 Group's own equity instruments to capital reserve.

(b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

(c) 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 utilized in accordance with the provisions of section 69 of the Companies Act, 2013.

(d) General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(e) Special Economic Zone re-investment reserve

The Special Economic Zone (SEZ) re-investment reserve has been 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.

(f) Investment revaluation reserve

This reserve represents the cumulative gains and losses arising on the revaluation of equity / debt instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings / profit and loss when those assets have been disposed off.

(g) 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 THE FINANCIAL STATEMENTS 1-37

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 12, 2019

For and on behalf of the Board

N Chandrasekaran *Chairman*
V Ramakrishnan *CFO*
O P Bhatt *Director*
Hanne Birgitte Breinbjerg Sorensen *Director*

Rajesh Gopinathan *CEO and Managing Director*
Aman Mehta *Director*
Aarthi Subramanian *Director*
Dr Pradeep Kumar Khosla *Director*

N Ganapathy Subramaniam *COO and Executive Director*
Dr Ron Sommer *Director*
Keki M Mistry *Director*
Daniel Hughes Callahan *Director*

Rajendra Moholkar *Company Secretary*

Statement of Cash Flows

(₹ crore)

		Year ended March 31, 2019	Year ended March 31, 2018
I.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit for the year	**30,065**	25,241
	Adjustments to reconcile profit and loss to net cash provided by operating activities		
	Depreciation and amortisation expense	**1,716**	1,647
	Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**188**	95
	Tax expense	**10,640**	6,690
	Finance costs	**170**	30
	Net gain on disposal of property, plant and equipment	**(84)**	(26)
	Exchange difference on translation of foreign currency cash and cash equivalents	**7**	(94)
	Dividend income (Including exchange gain)	**(3,574)**	(2,212)
	Interest income	**(2,651)**	(2,388)
	Net gain on investments	**(416)**	(858)
	Operating profit before working capital changes	**36,061**	28,125
	Net change in		
	Inventories	**16**	(4)
	Trade receivables	**(5,335)**	(2,416)
	Unbilled receivables (Previous period: Unbilled revenue)	**733**	(1,274)
	Loans receivables and other financial assets	**(417)**	398
	Other assets	**(3,036)**	(554)
	Trade payables	**2,915**	585
	Unearned and deferred revenue	**755**	585
	Other financial liabilities	**610**	796
	Other liabilities and provisions	**400**	1,391
	Cash generated from operations	**32,702**	27,632
	Taxes paid (net of refunds)	**(8,704)**	(6,045)
	Net cash generated from operating activities	**23,998**	21,587
II.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Bank deposits placed	**(5,400)**	(2,000)
	Inter-corporate deposits placed	**(13,222)**	(6,000)
	Purchase of investments	**(92,020)**	(94,374)
	Payment for purchase of property, plant and equipment	**(1,556)**	(1,606)
	Payment for purchase of intangible assets	**(161)**	-
	Earmarked deposits placed with banks	**(290)**	(230)
	Acquisition of subsidiary	**(66)**	-
	Proceeds from bank deposits	**2,000**	416
	Proceeds from inter-corporate deposits	**10,472**	4,425
	Proceeds from disposal / redemption of investments	**99,561**	100,063
	Proceeds from disposal of property, plant and equipment	**98**	29
	Proceeds from earmarked deposits with banks	**339**	135
	Dividend received from subsidiaries (including exchange gain)	**3,574**	2,207
	Dividend received from other investments	**-**	5
	Interest received	**2,554**	2,564
	Net cash generated from investing activities	**5,883**	5,634
III.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Buy-back of equity shares	**(16,000)**	(16,000)
	Expenses for buy-back of equity shares	**(45)**	(42)
	Short-term borrowings (net)	**(181)**	(20)
	Dividend paid (including tax on dividend)	**(11,424)**	(10,726)
	Repayment of finance lease obligations	**(5)**	(6)
	Interest paid	**(170)**	(33)
	Net cash used in financing activities	**(27,825)**	(26,827)
	Net change in cash and cash equivalents	**2,056**	394
	Cash and cash equivalents at the beginning of the year	**1,278**	790
	Exchange difference on translation of foreign currency cash and cash equivalents	**(7)**	94
	Cash and cash equivalents at the end of the year (Refer note 13)	**3,327**	1,278
IV.	NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-37		

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 12, 2019

For and on behalf of the Board

N Chandrasekaran — *Chairman*
V Ramakrishnan — *CFO*
O P Bhatt — *Director*
Hanne Birgitte Breinbjerg Sorensen — *Director*
Rajesh Gopinathan — *CEO and Managing Director*
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N Ganapathy Subramaniam — *COO and Executive Director*
Dr Ron Sommer — *Director*
Keki M Mistry — *Director*
Daniel Hughes Callahan — *Director*
Rajendra Moholkar — *Company Secretary*

Notes forming part of the Financial Statements

1) Corporate information

Tata Consultancy Services Limited (referred to as "TCS Limited" or "the Company") provides IT services, consulting and business solutions that has been partnering with many of the world's largest businesses in their transformation journeys for the last fifty years. 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, 2019, Tata Sons Private Limited (formerly Tata Sons Limited), the holding company owned 72.02% of the Company's equity share capital.

The Board of Directors approved the financial statements for the year ended March 31, 2019 and authorised for issue on April 12, 2019.

2) Significant accounting policies

(a) Statement of compliance

These 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 Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of preparation

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. 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.

(c) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the 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.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at amortised cost 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.

Notes forming part of the Financial Statements

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.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 2(i).

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. The policy has been further explained under note 2(j).

(d) 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.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2(d) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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.

Notes forming part of the Financial Statements

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.

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

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 is 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 industry verticals, geography and nature of services.

Use of significant judgements in revenue recognition

- 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. 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, 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 uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- 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 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 the degree of completion of the performance obligation.

- 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.

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

(f) Leases

Finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

(g) 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. Employee benefit expenses include salaries, incentives and allowances, contributions to provident and other funds and staff welfare 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 receivable 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.

(h) Foreign currency

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.

(i) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the 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.

Notes forming part of the Financial Statements

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 the 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 Alternative 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.

(j) Financial 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.

Notes forming part of the Financial Statements

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.

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.

Hedge accounting

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 or 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 or loss.

(k) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 financial statements.

(l) Investment in subsidiaries

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

Notes forming part of the Financial Statements

(m) 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 value 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	10 years
Furniture and fixtures	5 years

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

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

(n) Intangible assets

Intangible assets purchased are measured at cost as of 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 useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

(o) Impairment

(i) 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. 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.

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and 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.

Notes forming part of the Financial Statements

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.

(p) Employee benefits

(i) 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.

(ii) Defined contribution plans

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

(iii) 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.

(iv) 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.

(q) 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.

(r) 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 the year. The Company did not have any potentially dilutive securities in any of the years presented.

3) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

On preliminary assessment, for leases other than short-term leases and leases of low value assets, the Company will recognise a right-of-use asset of ₹ 4,206 crore and a corresponding lease liability of ₹ 5,029 crore with the cumulative effect of applying the standard by adjusting retained earnings net of taxes. There will be consequent reclassification in the cash flow categories in the statement of cash flows.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Notes forming part of the Financial Statements

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. TCS Limited does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. TCS Limited does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. TCS Limited does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. TCS Limited does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. TCS Limited will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes forming part of the Financial Statements

4) Property, plant and equipment

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, 2018	327	7,026	1,702	489	5,695	32	2,038	1,711	1,308	20,328
Additions	(4)	335	212	53	758	6	171	120	139	1,790
Disposals	-	(13)	(94)	(3)	(180)	(2)	(45)	(29)	(27)	(393)
Cost as at March 31, 2019	323	7,348	1,820	539	6,273	36	2,164	1,802	1,420	21,725
Accumulated depreciation as at April 1, 2018	-	(1,792)	(970)	(116)	(4,526)	(26)	(1,572)	(910)	(986)	(10,898)
Depreciation for the year	-	(368)	(134)	(52)	(626)	(4)	(213)	(142)	(145)	(1,684)
Disposals	-	10	94	2	177	1	45	23	27	379
Accumulated depreciation as at March 31, 2019	-	(2,150)	(1,010)	(166)	(4,975)	(29)	(1,740)	(1,029)	(1,104)	(12,203)
Net carrying amount as at March 31, 2019	323	5,198	810	373	1,298	7	424	773	316	9,522

(₹ 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, 2017	327	6,637	1,412	392	5,130	31	1,943	1,601	1,208	18,681
Additions	-	394	311	98	673	2	139	122	120	1,859
Disposals	-	(5)	(21)	(1)	(108)	(1)	(44)	(12)	(20)	(212)
Cost as at March 31, 2018	327	7,026	1,702	489	5,695	32	2,038	1,711	1,308	20,328
Accumulated depreciation as at April 1, 2017	-	(1,444)	(862)	(73)	(4,005)	(22)	(1,401)	(778)	(882)	(9,467)
Depreciation for the year	-	(352)	(129)	(44)	(629)	(5)	(215)	(143)	(123)	(1,640)
Disposals	-	4	21	1	108	1	44	11	19	209
Accumulated depreciation as at March 31, 2018	-	(1,792)	(970)	(116)	(4,526)	(26)	(1,572)	(910)	(986)	(10,898)
Net carrying amount as at March 31, 2018	327	5,234	732	373	1,169	6	466	801	322	9,430

Net book value of leasehold improvements of ₹ 25 crore and ₹ 30 crore as at March 31, 2019 and March 31, 2018, respectively, is under finance lease.

Notes forming part of the Financial Statements

5) Intangible assets

Intangible assets consist of the following:

(₹ crore)

	Rights under licensing agreement and software licences
Cost as at April 1, 2018	**68**
Additions	**161**
Disposals / Derecognised	**-**
Cost as at March 31, 2019	**229**
Accumulated amortisation as at April 1, 2018	**(58)**
Amortisation for the year	**(32)**
Disposals / Derecognised	**-**
Accumulated amortisation as at March 31, 2019	**(90)**
Net carrying amount as at March 31, 2019	**139**

(₹ crore)

	Rights under licensing agreement and software licences
Cost as at April 1, 2017	68
Additions	-
Disposals / Derecognised	-
Cost as at March 31, 2018	68
Accumulated amortisation as at April 1, 2017	(51)
Amortisation for the year	(7)
Disposals / Derecognised	-
Accumulated amortisation as at March 31, 2018	(58)
Net carrying amount as at March 31, 2018	10

The estimated amortisation for the years subsequent to March 31, 2019 is as follows:

(₹ crore)

Year ending March 31,	**Amortisation expense**
2020	**44**
2021	**40**
2022	**40**
2023	**15**
Thereafter	**-**
	139

Notes forming part of the Financial Statements

6) Investments

Investments consist of the following:

(A) Investments – Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Investment in subsidiaries		
Fully paid equity shares (unquoted)	**2,189**	2,124
(b) Investments carried at fair value through profit or loss		
Mutual fund units (unquoted)	**-**	59
(c) Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)	**-**	3
	2,189	2,186

(B) Investments – Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	**2,955**	9,101
Mutual fund units (unquoted)	**63**	-
(b) Investments carried at fair value through OCI		
Government bonds and securities (quoted)	**23,566**	25,217
Corporate bonds (quoted)	**1,206**	755
(c) Investment carried at amortised cost		
Certificate of deposits (quoted)	**490**	-
	28,280	35,073
Market value of quoted investments carried at amortised cost		
Certificate of deposits	**491**	-

Aggregate value of quoted and unquoted investments is as follows:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Aggregate value of quoted investments	**28,217**	35,073
Aggregate value of unquoted investments (net of impairment)	**2,252**	2,186
Aggregate market value of quoted investments	**28,218**	35,073
Aggregate value of impairment of investments	**19**	19

Notes forming part of the Financial Statements

(₹ crore)

In numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2019	As at March 31, 2018
			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
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
16,00,01,000	USD	0.01	CMC Americas, Inc.	**8**	8
10,00,000	INR	100	TCS e-Serve International Limited	**10**	10
1,00,500	GBP	0.00001	W12 Studios Limited (w.e.f. October 31, 2018)	**66**	-
10,00,000	INR	10	TCS Foundation	**-**	-
				2,189	2,124

(₹ crore)

In numbers	Currency	Face value per share	Investments designated at fair value through OCI	As at March 31, 2019	As at March 31, 2018
			Fully paid equity shares (unquoted)		
1,90,00,000	INR	10	Taj Air Limited	**19**	19
20,00,000	INR	10	KOOH Sports Private Limited	**-**	3
			Less: Impairment of investments	**(19)**	(19)
				-	3

TCS Limited acquired W12 Studios Limited, an award-winning digital design studio based in London on October 31, 2018. The Company paid ₹ 66 crore (GBP 7 million) to acquire 100% equity shares of W12 Studios Limited.

*Represents value less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

7) Loans receivables

Loans receivables (unsecured) consist of the following:

(A) Loans receivables – Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Considered good		
Inter-corporate deposits	-	1,500
Loans and advances to employees	2	3
	2	1,503

(B) Loans receivables – Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Considered good		
Inter-corporate deposits	6,750	2,500
Loans and advances to employees	268	293
(b) Credit impaired		
Loans and advances to employees	61	61
Less: Allowance on loans and advances to employees	(61)	(61)
	7,018	2,793

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

8) Other financial assets

Other financial assets consist of the following:

(A) Other financial assets – Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Security deposits	565	504
	565	504

(B) Other financial assets – Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Security deposits	101	181
(b) Fair value of foreign exchange derivative assets	584	89
(c) Interest receivable	770	520
(d) Others	158	17
	1,613	807

Notes forming part of the Financial Statements

9) Income taxes

The income tax expense consists of the following:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax expense for current year	**8,672**	6,966
Current tax (benefit) / expense pertaining to prior years	**1,271**	(88)
	9,943	6,878
Deferred tax		
Deferred tax (benefit) / expense for current year	**697**	(217)
Deferred tax (benefit) / expense pertaining to prior years	**-**	29
	697	(188)
Total income tax expense recognised in current year	**10,640**	6,690

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, 2019	Year ended March 31, 2018
Profit before taxes	**40,705**	31,931
Indian statutory income tax rate	**34.94%**	34.61%
Expected income tax expense	**14,224**	11,050
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	**(4,735)**	(4,247)
Income exempt from tax	**(21)**	(36)
Undistributed earnings in branches	**299**	113
Tax on income at different rates	**(403)**	(236)
Tax pertaining to prior years	**1,271**	(242)
Others (net)	**5**	288
Total income tax expense	**10,640**	6,690

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).

Notes forming part of the Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment and intangible assets	67	30	-	97
Provision for employee benefits	311	57	-	368
Cash flow hedges	10		(22)	(12)
Receivables, financial assets at amortised cost	238	46	-	284
MAT credit entitlement	2,204	(1,047)	-	1,157
Branch profit tax	(400)	101	-	(299)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	-	-	(149)	(149)
Operating lease liabilities	80	8	-	88
Others	117	108	-	225
Total deferred tax assets / (liabilities)	**2,626**	**(697)**	**(171)**	**1,758**

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2019	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and Intangible assets	137	40	97
Provision for employee benefits	368	-	368
Cash flow hedges	(12)	-	(12)
Receivables, financial assets at amortised cost	284	-	284
MAT credit entitlement	1,157	-	1,157
Branch profit tax	-	299	(299)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(149)	-	(149)
Operating lease liabilities	88	-	88
Others	224	-	224
Total deferred tax assets / (liabilities)	**2,097**	**339**	**1,758**

Notes forming part of the Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and intangible assets	(84)	151	-	67
Provision for employee benefits	296	15	-	311
Cash flow hedges	(12)	-	22	10
Receivables, financial assets at amortised cost	205	33	-	238
MAT credit entitlement	2,062	142	-	2,204
Branch profit tax	(286)	(114)	-	(400)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(285)	1	284	-
Operating lease liabilities	80	-	-	80
Others	157	(40)	-	117
Total deferred tax assets / (liabilities)	2,133	188	306	2,627

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2018	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and Intangible assets	91	(24)	67
Provision for employee benefits	311	-	311
Cash flow hedges	10	-	10
Receivables, financial assets at amortised cost	238	-	238
MAT credit entitlement	2,204	-	2,204
Branch profit tax	-	(400)	(400)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	-	-	-
Operating lease liabilities	80	-	80
Others	117	-	117
Total deferred tax assets / (liabilities)	3,051	(424)	2,627

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. Accordingly, the Company has recognised a deferred tax asset of ₹ 1,157 crore.

Notes forming part of the Financial Statements

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company as deductions, and computation of, or eligibility of, certain tax incentives or allowances.

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 ₹ 1,501 crore and ₹ 5,616 crore as at March 31, 2019 and March 31, 2018 respectively. In respect of tax contingencies of ₹ 318 crore and ₹ 318 crore as at March 31, 2019 and March 31, 2018, 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 2016 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2015 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2016 and earlier.

10) Other assets

Other assets consist of the following:

(A) Other assets – Non-current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
	Considered good		
(a)	Contract assets	**100**	-
(b)	Prepaid expenses	**151**	237
(c)	Prepaid rent	**339**	373
(d)	Contract fulfillment costs	**174**	95
(e)	Capital advances	**272**	105
(f)	Advances to related parties	**3**	2
(g)	Others	**1**	3
		1,040	815
Advances to related parties, considered good, comprise:			
Voltas Limited		**2**	2
Tata Realty and Infrastructure Ltd*		**-**	-
Concorde Motors (India) Limited		**1**	-

*Represents value less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

(B) Other assets – Current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
	Considered good		
(a)	Contract assets	**2,723**	-
(b)	Prepaid expenses	**344**	735
(c)	Prepaid rent	**35**	39
(d)	Contract fulfillment costs	**468**	427
(e)	Advance to suppliers	**79**	84
(f)	Advance to related parties	**8**	4
(g)	Indirect taxes recoverable	**962**	482
(h)	Other advances	**123**	20
(i)	Others	**51**	34
	Considered doubtful		
(a)	Advance to suppliers	**3**	3
(b)	Indirect taxes recoverable	**2**	2
(c)	Other advances	**3**	3
	Less: Allowance on doubtful assets	**(8)**	(8)
		4,793	1,825
	Advance to related parties, considered good comprise		
	TCS e-Serve International Limited	**7**	-
	The Titan Company Limited	**1**	2
	Tata Consultancy Services Danmark ApS	**-**	1
	Tata AIG General Insurance Company Limited	**1**	1
	APTOnline Limited*	**-**	-

*Represents value less than ₹ 0.50 crore.

Contract fulfillment costs of ₹ 479 crore and ₹ 463 crore for the years ended March 31, 2019 and 2018, respectively, have been amortised in the statement of profit and loss. Refer note 21 for the changes in contract asset.

11) Inventories

Inventories consist of the following:

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Raw materials, sub-assemblies and components	**9**	25
(b)	Finished goods and work-in-progress	**-**	-
(c)	Goods-in-transit (raw materials)*	**-**	-
(d)	Stores and spares	**1**	-
		10	25

Inventories are carried at the lower of cost and net realisable value.

*Represents values less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

12) Trade receivables (Unsecured)

(A) Trade receivables – Non-current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Considered good	**569**	460
	Less: Allowance for doubtful trade receivables	**(474)**	(366)
		95	94

(B) Trade receivables – Current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Considered good	**24,227**	19,065
	Less: Allowance for doubtful trade receivables	**(222)**	(194)
		24,005	18,871
(b)	Credit impaired	**165**	103
	Less: Allowance for doubtful trade receivables	**(141)**	(92)
		24	11
		24,029	18,882

Above balances of trade receivables include balances with related parties (Refer note 35).

13) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Balances with banks		
	In current accounts	**2,919**	1,211
	In deposit accounts	**406**	2
(b)	Cheques on hand	**2**	3
(c)	Cash on hand*	**-**	-
(d)	Remittances in transit	**-**	62
		3,327	1,278

*Represents value less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

14) Other balances with banks

Other balances with banks consist of the following:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Earmarked balances with banks	**173**	209
(b) Short-term bank deposits	**5,400**	2,000
	5,573	2,209

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

15) Share capital

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

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Authorised		
(a) 460,05,00,000 equity shares of ₹ 1 each	**460**	460
(March 31, 2018: 460,05,00,000 equity shares of ₹ 1 each)		
(b) 105,02,50,000 preference shares of ₹ 1 each	**105**	105
(March 31, 2018: 105,02,50,000 preference shares of ₹ 1 each)		
	565	565
Issued, Subscribed and Fully paid up		
(a) 375,23,84,706 equity shares of ₹ 1 each	**375**	191
(March 31, 2018: 191,42,87,591 equity shares of ₹ 1 each)		
	375	191

The Board of Directors of the Company at its meeting held on April 19, 2018, approved a proposal to issue bonus shares in the ratio of one equity share of ₹ 1 each for every one equity share of ₹ 1 each held by the shareholders of the Company as on the record date, which was approved by the shareholders by means of an ordinary resolution through a postal ballot. 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.

The Board of Directors of the Company at its meeting held on June 15, 2018, approved a proposal to buyback of upto 7,61,90,476 equity shares of the Company for an aggregate amount not exceeding ₹ 16,000 crore being 1.99% of the total paid up equity share capital at ₹ 2,100 per equity share, which was approved by the shareholders by means of a special resolution through a postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 7,61,90,476 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on September 26, 2018. Capital redemption reserve was created to the extent of share capital extinguished (₹ 8 crore). The excess of cost of buy-back of ₹ 16,045 crore (including ₹ 45 crore towards transaction costs of buy-back) over par value of shares was offset from retained earnings.

In the previous year, 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.

Notes forming part of the Financial Statements

(i) Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	**Amount (₹ crore)**	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	**191,42,87,591**	**191**	197,04,27,941	197
Issued during the year	**191,42,87,591**	**192**	-	-
Shares extinguished on buy-back	**(7,61,90,476)**	**(8)**	(5,61,40,350)	(6)
Closing balance	**375,23,84,706**	**375**	191,42,87,591	191

(ii) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held 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. 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, 2019	As at March 31, 2018
Equity shares		
Holding company		
270,24,50,947 equity shares (March 31, 2018: 137,61,18,911 equity shares) are held by Tata Sons Private Limited	**270**	138
Subsidiaries and Associates of Holding company		
7,220 equity shares (March 31, 2018: 3,610 equity shares) are held by Tata Industries Limited*	**-**	-
NIL equity share (March 31, 2018: 2,06,000 equity shares) are held by Tata AIG Life Insurance Company Limited*	**-**	-
NIL equity shares (March 31, 2018: 7,76,533 equity shares) are held by Tata AIA Life Insurance Company Limited*	**-**	-
10,36,269 equity shares (March 31, 2018: 5,27,110 equity shares) are held by Tata Investment Corporation Limited*	**-**	-
46,798 equity shares (March 31, 2018: 23,804 equity shares) are held by Tata Steel Limited*	**-**	-
766 equity shares (March 31, 2018: 383 equity shares) are held by The Tata Power Company Limited*	**-**	-
Total	**270**	138

*Equity shares having value less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2019	As at March 31, 2018
Equity shares		
Tata Sons Private Limited, the holding company	**270,24,50,947**	137,61,18,911
% of shareholding	**72.02%**	71.89%

(v) Equity shares movement during the 5 years preceding March 31, 2019

(a) 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, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

(b) Equity shares extinguished on buy-back

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.

(c) Equity shares allotted as fully-paid including equity shares fully paid pursuant to contract without payment being received in cash

1,16,99,962 equity shares issued to the shareholders of CMC Limited in terms of the scheme of amalgamation ('the Scheme') sanctioned by the High Court of Judicature at Bombay vide its Order dated August 14, 2015 and the High Court of Judicature at Hyderabad vide its Order dated July 20, 2015.

15,06,983 equity shares of ₹ 1 each have been issued to the shareholders of TCS e-Serve Limited in terms of the composite scheme of amalgamation sanctioned by the High Court of Judicature at Bombay vide its Order dated September 6, 2013.

(vi) 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.

16) Other equity

Other equity consist of the following:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Capital reserve#	-	-
(b) Securities premium		
(i) Opening balance	-	1,919
(ii) Utiilised for buy-back of equity shares*	-	(1,919)
	-	-
(c) Capital redemption reserve		
(i) Opening balance	**106**	100
(ii) Transfer from retained earnings	**8**	6
(iii) Issue of bonus shares*	**(106)**	-
	8	106

Notes forming part of the Financial Statements

(₹ crore)

			As at March 31, 2019	As at March 31, 2018
(d)	General reserve			
	(i)	Opening balance	**-**	9,118
	(ii)	Transfer to retained earnings	**-**	-
	(iii)	Utiilised for buy-back of equity shares*	**-**	(9,118)
			-	-
(e)	Special Economic Zone re-investment reserve			
	(i)	Opening balance	**1,578**	97
	(ii)	Transfer from retained earnings	**2,750**	1,579
	(iii)	Transfer to retained earnings	**(3,334)**	(98)
			994	1,578
(f)	Retained earnings			
	(i)	Opening balance	**74,080**	65,965
	(ii)	Profit for the year	**30,065**	25,241
	(iii)	Remeasurement of defined employee benefit plans	**(14)**	86
	(iv)	Utiilised for buy-back of equity shares*	**(15,992)**	(4,957)
	(v)	Expense relating to buy back of equity shares*	**(45)**	(42)
	(vi)	Issue of bonus shares*	**(86)**	-
	(vii)	Realised loss on equity shares carried at fair value through OCI	**(1)**	-
	(viii)	Transfer from Special Economic Zone re-investment reserve	**3,334**	98
			91,341	86,391
	(x)	Less: Appropriations		
		(a) Dividend on equity shares	**10,085**	9,284
		(b) Tax on dividend	**1,339**	1,442
		(c) Transfer to capital redemption reserve*	**8**	6
		(d) Transfer to Special Economic Zone re-investment reserve	**2,750**	1,579
			77,159	74,080
(g)	Investment revaluation reserve			
	(i)	Opening balance	**(18)**	538
	(ii)	Realised (gain) / loss on equity shares carried at fair value through OCI	**1**	-
	(iii)	Change during the year (net)	**275**	(556)
			258	(18)
(h)	Cash flow hedging reserve (Refer note 29b)			
	(i)	Opening balance	**(71)**	88
	(ii)	Change during the year (net)	**175**	(159)
			104	(71)
			78,523	75,675

*Refer note 15.

#Represents value less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

Movement in Investment revaluation reserve

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	**(18)**	538
Net gain / (loss) arising on revaluation of financial assets carried at fair value	**(1)**	(19)
Net cumulative (gain) / loss reclassified to retained earnings on sale of financial assets carried at fair value	**1**	-
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	**425**	(625)
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	**(149)**	216
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	**-**	(196)
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	**-**	68
Balance at the end of the year	**258**	(18)

17) Borrowings

Borrowings consist of the following:

(A) Borrowings – Non-current (Secured)

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Long-term maturities of finance lease obligations	**33**	39
	33	39

Finance lease obligations are secured against property, plant and equipment obtained under finance lease arrangements (Refer note 28).

(B) Borrowings – Current (Unsecured)

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Overdraft from banks	**-**	181
	-	181

Notes forming part of the Financial Statements

18) Other financial liabilities

Other financial liabilities consist of the following:

(A) Other financial liabilities – Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Capital creditors	**3**	18
(b) Others	**229**	228
	232	246

Others include advance taxes paid of ₹ 226 crore and ₹ 227 crore as at March 31, 2019 and 2018, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which on refund by the tax authorities is payable to the seller.

(B) Other financial liabilities – Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Accrued payroll	**2,151**	1,667
(b) Current maturities of finance lease obligations	**6**	5
(c) Unclaimed dividends	**41**	28
(d) Fair value of foreign exchange derivative liabilities	**59**	91
(e) Capital creditors	**257**	245
(f) Liability towards customer contracts	**810**	669
(g) Others	**27**	34
	3,351	2,739

Finance lease obligations are secured against property, plant and equipment obtained under finance lease arrangements (Refer note 28).

19) Provisions

Provisions consist of the following:

(A) Provisions – Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Provision for foreseeable loss	**-**	26
	-	26

(B) Provisions – Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Provision for foreseeable loss	**150**	41
(b) Other provisions	**24**	130
	174	171

Notes forming part of the Financial Statements

20) Other liabilities

Other liabilities consist of the following:

(A) Other liabilities – Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Operating lease liabilities	**358**	335
	358	335

(B) Other liabilities – Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Advance received from customers	**269**	556
(b) Indirect taxes payable and other statutory liabilities	**1,556**	1,111
(c) Operating lease liabilities	**47**	84
(d) Others	**70**	108
	1,942	1,859

21) Revenue

Revenue consist of the following:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Consultancy services	**121,033**	95,150
Sale of equipment and software licences	**2,137**	2,206
	123,170	97,356

Revenue disaggregation by industry vertical is as follows:

(₹ crore)

Industry vertical	Year ended March 31, 2019	Year ended March 31, 2018
Banking, Financial Services and Insurance	**45,558**	36,405
Manufacturing	**11,568**	9,177
Retail and Consumer Business	**22,379**	17,467
Communication, Media and Technology	**21,131**	17,716
Others	**22,534**	16,591
	123,170	97,356

Notes forming part of the Financial Statements

Revenue disaggregation by geography is as follows:

(₹ crore)

Geography	Year ended March 31, 2019	Year ended March 31, 2018
Americas	**71,554**	54,538
Europe	**32,120**	25,445
India	**8,277**	7,575
Others	**11,219**	9,798
	123,170	97,356

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 year ended March 31, 2019 and March 31, 2018.

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 ₹ 68,065 crore out of which 53.87% 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, 2019
Balance at the beginning of the year	**2,281**
Revenue recognised during the year	**9,578**
Invoices raised during the year	**(9,093)**
Translation exchange difference	**57**
Balance at the end of the year	**2,823**

Changes in unearned and deferred revenue are as follows:

(₹ crore)

	Year ended March 31, 2019
Balance at the beginning of the year	**1,711**
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(1,648)**
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**2,418**
Translation exchange difference	**(15)**
Balance at the end of the year	**2,466**

Notes forming part of the Financial Statements

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

(₹ crore)

	Year ended March 31, 2019
Contracted price	**125,101**
Reductions towards variable consideration components	**(1,931)**
Revenue recognised	**123,170**

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

22) Other income

Other income consist of the following:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest income	**2,651**	2,388
(b) Dividend income	**3,571**	2,207
(c) Net gain on investments carried at fair value through profit or loss	**416**	662
(d) Net gain on sale of investments carried at amortised cost	**-**	-
(e) Net gain on sale of investments other than equity shares carried at fair value through OCI	**-**	196
(f) Net gain on disposal of property, plant and equipment	**84**	26
(g) Net foreign exchange gains	**844**	265
(h) Rent income	**7**	5
(i) Other income	**54**	54
	7,627	5,803
Interest income comprises:		
Interest on bank balances and bank deposits	**157**	41
Interest income on financial assets carried at amortised cost	**506**	210
Interest income on financial assets carried at fair value through OCI	**1,838**	1,727
Other interest (including interest on income tax refunds)	**150**	410
Dividend income comprise:		
Dividends from subsidiaries	**3,571**	2,202
Dividend from mutual fund units / other investments	**-**	5

23) Employee benefits

Employee benefit expenses consist of the following:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Salaries, incentives and allowances	**54,080**	47,004
(b) Contributions to provident and other funds	**3,665**	3,165
(c) Staff welfare expenses	**1,632**	1,330
	59,377	51,499

Notes forming part of the Financial Statements

Employee benefit obligation consist of the following:

(A) Employee benefit obligation – Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Gratuity liability	7	-
(b) Other employee benefit obligations	75	62
	82	62

(B) Employee benefit obligation – Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Compensated absences	1,756	1,461
(b) Other employee benefit obligations	20	17
	1,776	1,478

Employee benefit plans

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. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

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, 2019	Year ended March 31, 2018
Change in benefit obligations		
Benefit obligations, beginning of the year	2,307	2,083
Service cost	289	273
Interest cost	190	159
Remeasurement of the net defined benefit liability	39	(86)
Benefits paid	(147)	(122)
Benefit obligations, end of the year	2,678	2,307

Notes forming part of the Financial Statements

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Change in plan assets		
Fair value of plan assets, beginning of the year	**2,432**	2,156
Interest income	**193**	165
Employers' contributions	**171**	233
Benefits paid	**(147)**	(122)
Remeasurement - return on plan assets excluding amount included in interest income	**22**	-
Fair value of plan assets, end of the year	**2,671**	2,432

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Funded status		
Deficit of plan assets over obligations	**(7)**	-
Surplus of plan assets over obligations	**-**	125
	(7)	125

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Category of assets		
Corporate bonds	**684**	560
Equity shares	**20**	116
Government bonds and securities	**1,150**	996
Insurer managed funds	**759**	713
Bank balances	**6**	5
Others	**52**	42
Total	**2,671**	2,432

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

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Service cost	**289**	273
Net interest on net defined benefit (asset) / liability	**(3)**	(6)
Net periodic gratuity / pension cost	**286**	267
Actual return on plan assets	**215**	165

Notes forming part of the Financial Statements

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

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Actuarial (gains) and losses arising from changes in demographic assumptions	**(17)**	16
Actuarial (gains) and losses arising from changes in financial assumptions	**-**	(85)
Actuarial (gains) and losses arising from changes in experience adjustments	**56**	(17)
Remeasurement of the net defined benefit liability	**39**	(86)
Remeasurement - return on plan assets excluding amount included in interest income	**(22)**	-
Total	**17**	(86)

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

	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	**7.75%**	7.75%
Rate of increase in compensation levels of covered employees	**6.00%**	6.00%
Rate of return on plan assets	**7.75%**	7.75%
Weighted average duration of defined benefit obligations	**8 years**	8 years

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, 2019. The Company is expected to contribute ₹ 315 crore to defined benefit plan obligations funds for the year ending March 31, 2020.

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, 2019	As at March 31, 2018
Increase of 0.50%	**(100)**	(79)
Decrease of 0.50%	**108**	85

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

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Increase of 0.50%	**109**	85
Decrease of 0.50%	**(102)**	(80)

Notes forming part of the Financial Statements

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 assumption 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.

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 year ended March 31, 2019 as follows:

(₹ crore)

Year ending March 31,	**Defined benefit obligations**
2020	**241**
2021	**223**
2022	**233**
2023	**233**
2024	**230**
2025-2029	**1,155**

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, 2019	As at March 31, 2018
Fair value of plan assets	**14,555**	13,084
Present value of defined benefit obligations	**(14,555)**	(13,084)
Net excess / (shortfall)	**-**	-

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

Notes forming part of the Financial Statements

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

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Discount rate	**7.75%**	7.75%
Average remaining tenure of investment portfolio	**8.38 years**	7.95 years
Guaranteed rate of return	**8.65%**	8.55%

The Company contributed ₹ 856 crore and ₹ 795 crore for the years ended March 31, 2019 and 2018, respectively, to the 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 contributed ₹ 232 crore and ₹ 222 crore for the years ended March 31, 2019 and 2018, respectively, to the Employees' Superannuation Fund.

Foreign defined contribution plan

The Company contributed ₹ 475 crore and ₹ 331 crore for the years ended March 31, 2019 and 2018, respectively, towards foreign defined contribution plans.

24) Cost of equipment and software licenses

Cost of equipment and software licenses consist of the following:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Raw materials, sub-assemblies and components consumed	**40**	86
(b) Equipment and software licences purchased	**1,963**	1,920
	2,003	2,006
Finished goods and work-in-progress		
Opening stock	**-**	1
Less: Closing stock*	**-**	-
	-	1

*Represents value less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

25) Other expenses

Other expenses consist of the following:

(₹ crore)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Fees to external consultants	**12,259**	6,415
(b)	Facility expenses	**3,275**	3,079
(c)	Travel expenses	**2,718**	2,179
(d)	Communication expenses	**837**	710
(e)	Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**188**	95
(f)	Other expenses	**7,549**	3,568
		26,826	16,046

Other expenses include ₹ 3,897 crore and ₹ 255 crore for the years ended March 31, 2019 and March 31, 2018, respectively, towards sales, marketing and advertisement expenses.

The Company made a contribution to an electoral trust of ₹ 220 crore and NIL for the years ended March 31, 2019 and 2018, respectively, which is included in other expenses.

26) Research and development expenditure including capital expenditure aggregating ₹ 305 crore and ₹ 295 crore was incurred in the years ended March 31, 2019 and 2018, respectively.

27) As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2019 and 2018 is ₹ 542 cores and ₹ 497 crore, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of ₹ 434 crore and ₹ 400 crore during the year ended March 31, 2019 and 2018, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

28) Leases

The Company has taken on lease properties and equipment under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were ₹ 1,468 crore and ₹ 1,431 crore for the years ended March 31, 2019 and 2018, respectively.

The following is a summary of future minimum lease rental commitments towards non-cancellable operating leases and finance leases:

(₹ crore)

Operating lease	As at March 31, 2019	As at March 31, 2018
Due within one year	**561**	557
Due in a period between one year and five years	**1,914**	1,973
Due after five years	**1,957**	2,443
Total minimum lease commitments	**4,432**	4,973

Notes forming part of the Financial Statements

(₹ crore)

Finance lease	As at March 31, 2019		As at March 31, 2018	
	Minimum lease commitments	**Present value of minimum lease commitments**	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	**12**	**6**	11	5
Due in a period between one year and five years	**44**	**33**	46	30
Due after five years	**-**	**-**	10	9
Total minimum lease commitments	**56**	**39**	67	44
Less: Interest	**(17)**		(23)	
Present value of minimum lease commitments	**39**		44	

(₹ crore)

Receivables under sub-leases	As at March 31, 2019	As at March 31, 2018
Due within one year	**7**	5
Due in a period between one year and five years	**18**	15
Due after five years	**1**	3
Total	**26**	23

Income under sub-leases of ₹ 7 crore and ₹ 5 crore have been recognised in the statement of profit and loss for the year ended March 31, 2019 and March 31, 2018, respectively.

29) Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(j) to the financial statements.

Notes forming part of the Financial Statements

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2019 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	-	-	-	-	3,327	3,327
Bank deposits	-	-	-	-	5,400	5,400
Earmarked balances with banks	-	-	-	-	173	173
Investments (other than in subsidiary)	3,018	24,772	-	-	490	28,280
Trade receivables	-	-	-	-	24,124	24,124
Unbilled receivables	-	-	-	-	4,776	4,776
Loans receivables	-	-	-	-	7,020	7,020
Other financial assets	-	-	237	347	1,594	2,178
Total	**3,018**	**24,772**	**237**	**347**	**46,904**	**75,278**
Financial liabilities						
Trade payables	-	-	-	-	7,692	7,692
Borrowings	-	-	-	-	33	33
Other financial liabilities	-	-	-	59	3,524	3,583
Total	**-**	**-**	**-**	**59**	**11,249**	**11,308**

*Loans receivables include inter-corporate deposits of ₹ 6,750 crore, with original maturity period within 24 months.

The carrying value of financial instruments by categories as of March 31, 2018 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	-	-	-	-	1,278	1,278
Bank deposits	-	-	-	-	2,000	2,000
Earmarked balances with banks	-	-	-	-	209	209
Investments (other than in subsidiary)	9,160	25,975	-	-	-	35,135
Trade receivables	-	-	-	-	18,976	18,976
Unbilled revenue	-	-	-	-	5,509	5,509
Loans receivables	-	-	-	-	4,296	4,296
Other financial assets	-	-	34	55	1,222	1,311
Total	9,160	25,975	34	55	33,490	68,714
Financial liabilities						
Trade payables	-	-	-	-	4,775	4,775
Borrowings	-	-	-	-	220	220
Other financial liabilities	-	-	25	66	2,894	2,985
Total	-	-	25	66	7,889	7,980

*Loans receivables include inter-corporate deposits of ₹ 4,000 crore, with original maturity period within 24 months.

Notes forming part of the Financial Statements

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables (previous year: unbilled revenue), loans receivables and trade payables as at March 31, 2019 and March 31, 2018 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the periods presented.

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.

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, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Mutual fund units	**2,955**	**63**	**-**	**3,018**
Equity shares	**-**	**-**	**-**	**-**
Government bonds and securities	**23,566**	**-**	**-**	**23,566**
Certificate of deposits	**491**	**-**	**-**	**491**
Corporate bonds	**1,206**	**-**	**-**	**1,206**
Derivative financial assets	**-**	**584**	**-**	**584**
Total	**28,218**	**647**	**-**	**28,865**
Financial liabilities				
Derivative financial liabilities	**-**	**59**	**-**	**59**
Other financial liabilities	**-**	**-**	**-**	**-**
Total	**-**	**59**	**-**	**59**

(₹ crore)

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	9,101	59	-	9,160
Equity shares	-	-	3	3
Government bonds and securities	25,217	-	-	25,217
Corporate bonds	755	-	-	755
Derivative financial assets	-	89	-	89
Total	35,073	148	3	35,224
Financial liabilities				
Derivative financial liabilities	-	91	-	91
Other financial liabilities	-	-	-	-
Total	-	91	-	91

Notes forming part of the Financial Statements

Reconciliation of Level 3 fair value measurement is as follows:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	**3**	22
Disposals during the year	**(3)**	-
Impairment in value of investments	**-**	(19)
Balance at the end of the year	**-**	3

(b) 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 of the Company has 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 forwards, currency option and futures contracts in which the counter party is generally a bank.

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

Foreign currency	**As at March 31, 2019**			As at March 31, 2018		
	No. of contracts	**Notional amount of contracts (In millions)**	**Fair value (₹ crore)**	No. of contracts	Notional amount of contracts (In millions)	Fair value (₹ crore)
US Dollar	**28**	**1,000**	**128**	24	1,466	20
Great Britain Pound	**24**	**177**	**23**	34	263	(23)
Euro	**33**	**239**	**50**	26	216	1
Australian Dollar	**26**	**181**	**22**	21	150	12
Canadian Dollar	**21**	**99**	**14**	-	-	-

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

	Year ended March 31, 2019		Year ended March 31, 2018	
	Intrinsic value	**Time value**	Intrinsic value	Time value
Balance at the beginning of the year	**(2)**	**(69)**	105	(17)
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	**(488)**	**458**	(127)	340
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	**94**	**(25)**	15	(40)
Change in the fair value of effective portion of cash flow hedges	**641**	**(414)**	5	(399)
Deferred tax on fair value of effective portion of cash flow hedges	**(111)**	**20**	-	47
Balance at the end of the year	**134**	**(30)**	(2)	(69)

Notes forming part of the Financial Statements

In addition to the above cash flow hedges, the Company has outstanding foreign exchange forward, currency options and futures contracts with notional amount aggregating ₹ 34,593 crore and ₹ 22,404 crore whose fair value showed a net gain of ₹ 288 crore and net loss of ₹ 12 crore as at March 31, 2019 and 2018, respectively. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange gain of ₹ 405 crore and exchange loss of ₹ 52 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the consolidated statement of profit and loss for the years ended March 31, 2019 and 2018, respectively.

Net foreign exchange gains include gain of ₹ 30 crore and exchange loss of ₹ 213 crore transferred from cash flow hedging reserve for the years ended March 31, 2019 and 2018, respectively.

Net gain on derivative instruments of ₹ 104 crore recognised in cash flow hedging reserve as at March 31, 2019, is expected to be transferred to the statement of profit and loss by March 31, 2020. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2019.

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, 2019	As at March 31, 2018
10% Appreciation of the underlying foreign currencies	**(64)**	(323)
10% Depreciation of the underlying foreign currencies	**1,370**	1,054

(c) 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.

i. 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.

a) 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 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 29(b).

Notes forming part of the Financial Statements

The following table sets forth information relating to foreign currency exposure as at March 31, 2019:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	**4,431**	**275**	**837**	**1,203**
Net financial liabilities	**4,044**	**178**	**414**	**377**

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately ₹ 173 crore for the year ended March 31, 2019.

The following table sets forth information relating to foreign currency exposure as at March 31, 2018:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	3,783	431	944	1,218
Net financial liabilities	3,077	323	761	541

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately ₹ 168 crore for the year ended March 31, 2018.

b) 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.

ii. 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, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹ 6,750 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹ 4,850 crore held with two Indian banks having high credit rating which are individually in excess of 10% or more of the Company's total bank deposits as at March 31, 2019. 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 represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 75,278 crore and ₹ 68,711 crore as at March 31, 2019, and 2018, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, unbilled receivables (previous year: unbilled revenue), contract assets and other financial assets.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivable, unbilled receivables (previous year: unbilled revenue) and contract assets as at March 31, 2019 and March 31, 2018.

Notes forming part of the Financial Statements

Geographic concentration of credit risk

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

	As at March 31, 2019		As at March 31, 2018	
	Gross%	Net%	Gross%	Net%
United States of America	49.42	50.53	39.37	40.41
India	16.45	14.87	19.47	17.87
United Kingdom	15.39	15.55	17.18	17.35

Geographical concentration of trade receivables, unbilled receivables (previous year: unbilled revenue) and contract assets is allocated based on the location of the customers.

iii. 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 as and when they fall due.

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

(₹ crore)

March 31, 2019	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	7,692	-	-	-	7,692
Borrowings	-	11	33	-	44
Other financial liabilities	3,286	1	227	4	3,518
	10,978	12	260	4	11,254
Derivative financial liabilities	59	-	-	-	59
Total	11,037	12	260	4	11,313

(₹ crore)

March 31, 2018	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	4,775	-	-	-	4,775
Borrowings	181	12	34	10	237
Other financial liabilities	2,648	19	227	-	2,894
	7,604	31	261	10	7,906
Derivative financial liabilities	91	-	-	-	91
Total	7,695	31	261	10	7,997

Notes forming part of the Financial Statements

30) Earnings Per Share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (₹ crore)	**30,065**	25,241
Weighted average number of equity shares	**378,97,49,350**	384,91,85,612
Earnings per share basic and diluted (₹)	**79.34**	65.57
Face value per equity share (₹)	**1**	1

Pursuant to issue of bonus shares, the weighted average number of equity shares and earnings per share of the previous periods have been accordingly re-stated.

31) Auditors remuneration

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Services as statutory auditors (including quarterly audits)	**7**	7
Tax audit	**1**	1
Services for tax matters	**-***	-*
Other services	**4**	4
Re-imbursement of out-of-pocket expenses	**-***	-*

*Represents value less than ₹ 0.50 crore.

32) Segment information

The Company publishes the unconsolidated 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.

33) Commitments and Contingencies

Capital commitments

The Company has contractually committed (net of advances) ₹ 1,258 crore and ₹ 760 crore as at March 31, 2019 and 2018, respectively, for purchase of property, plant and equipment.

Contingencies

Direct tax matters

Refer note 9.

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 ₹ 325 crore and ₹ 275 crore as at March 31, 2019 and 2018, respectively from various indirect tax authorities which are being contested by the Company based on the management evaluation and on the advice of tax consultants.

Other claims

Claims aggregating ₹ 3,138 crore and ₹ 2,977 crore as at March 31, 2019 and 2018, respectively, against the Company have not been acknowledged as debts.

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 for alleged infringement of Epic's proprietary information. In April 2016, the Company received an unfavourable jury verdict awarding damages totaling ₹ 6,499 crore (US $ 940 million) to Epic.

Notes forming part of the Financial Statements

In September 2017, the Company received a Court order reducing the damages from ₹ 6,499 crore (US $ 940 million) to ₹ 2,904 crore (US $ 420 million) to Epic. Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹ 3,042 crore (US $ 440 million) as financial security in order to stay execution of the judgment pending post-judgment proceedings and appeal. Pursuant to reaffirmation of the court order in March 2019, the Company has filed a notice of appeal in the superior Court to fully set aside the Order. The Company has received legal advice to the effect that the order and the reduced damages awarded are not supported by evidence presented during the trial. Accordingly, an amount of ₹ 3,042 crore (US $ 440 million) is disclosed as contingent liability which is included in the claims not acknowledged as debts.

Bank guarantees and letters of comfort

The Company has given letter of comfort to bank for credit facilities availed by its subsidiary Tata America International Corporation. 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.

34) Micro and small enterprises

(₹ crore)

	As at March 31, 2019		As at March 31, 2018	
	Principal	**Interest**	Principal	Interest
Amount due to vendor	**22**	**-**	6	-
Principal amount paid (includes unpaid) beyond the appointed date	**33**	**-**	18	-
Interest due and payable for the year*	**-**	**-**	-	-
Interest accrued and remaining unpaid (includes interest disallowable of ₹ 1 crore (March 31, 2018: ₹ * crore))	**-**	**1**	-	-

*Represents value less than ₹ 0.50 crore.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Notes forming part of the Financial Statements

35) 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 34 of consolidated financial statement for list of subsidiaries of the Company.

Transactions with related parties are as follows:

(₹ crore)

	Year ended March 31, 2019					
	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	27	15,999	266	2,215	-	18,507
Dividend income	-	3,571	-	-	-	3,571
Rent income	-	7	-	-	-	7
Other income	-	38	-	-	-	38
Purchases of goods and services (including reimbursements)	1	8,178	415	369	-	8,963
Brand equity contribution	101	-	-	-	-	101
Facility expenses	1	-	37	15	-	53
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	-	(7)	-	-	(7)
Contribution to employees post employment benefit plans	-	-	-	-	816	816
Purchase of property, plant and equipment	-	-	2	48	-	50
Loans and advances given	-	6	2	1	-	9
Loans and advances recovered	-	1	-	3	-	4
Dividend paid	7,254	-	3	-	-	7,257
Guarantees given	-	13	-	-	-	13
Buy-back of shares	10,455	-	4	-	-	10,459
Cost recovery	-	2,302	-	-	-	2,302
Issue of bonus shares[1]	-	-	-	-	-	-

[1]Refer note 15.

Notes forming part of the Financial Statements

(₹ crore)

	Year ended March 31, 2018					
	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	13	57,747	260	1,992	-	60,012
Dividend income	-	2,201	-	-	-	2,201
Rent income	-	5	-	-*	-	5
Other income	-	34	-	-*	-	34
Purchases of goods and services (including reimbursements)	5	3,009	31	549	-	3,594
Brand equity contribution	114	-	-	-	-	114
Facility expenses	1	8	34	6	-	49
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-*	-*	5	5	-	10
Contribution to employees post employment benefit plans	-	-	-	-	818	818
Purchase of property, plant and equipment	-	-	6	45	-	51
Loans and advances given	-	1	-*	-*	-	1
Loans and advances recovered	-	-	-*	5	-	5
Dividend paid	6,826	-	3	2	-	6,831
Guarantees given	-	1,873	-	-	-	1,873
Buy-back of shares	10,278	-	7	21	-	10,306
Cost recovery	-	2,045	-	-	-	2,045

*Represents value less than ₹ 0.50 crore.

Balances receivable from related parties are as follows:

(₹ crore)

	As at March 31, 2019					
	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 and unbilled receivables	**6**	**4,332**	**97**	**644**	**-**	**5,079**
Loans receivables, other financial assets and other assets	**2**	**6**	**28**	**6**	**-**	**42**
Total	**8**	**4,338**	**125**	**650**	**-**	**5,121**

Notes forming part of the Financial Statements

(₹ crore)

	As at March 31, 2018					
	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 and unbilled revenue	8	10,140	122	637	-	10,907
Loans receivables, other financial assets and other assets	3	1	27	7	-	38
Total	11	10,141	149	644	-	10,945

Balances payable to related parties are as follows:

(₹ crore)

	As at March 31, 2019					
	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**	**3,195**	**102**	**129**	**-**	**3,517**
Commitments	**-**	**4,263**	**14**	**53**	**-**	**4,330**

(₹ crore)

	As at March 31, 2018					
	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	90	2,006	22	203	-	2,321
Commitments	-	4,343	-	-	-	4,343

Transactions with key management personnel are as follows:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Short-term benefits	**33**	27
Dividend paid during the year	**1**	1
Total	**34**	28

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.

Notes forming part of the Financial Statements

36) The sitting fees and commission paid to non-executive directors is ₹ 12 crore and ₹ 13 crore as at March 31, 2019 and 2018, respectively.

37) Subsequent event

Dividends paid during the year ended March 31, 2019 include an amount of ₹ 29 per equity share towards final dividend for the year ended March 31, 2018 and an amount of ₹ 12 per equity share towards interim dividends for the year ended March 31, 2019. Dividends paid during the year ended March 31, 2018 include an amount of ₹ 27.50 per equity share towards final dividend for the year ended March 31, 2017 and an amount of ₹ 21 per equity share towards interim dividends for the year ended March 31, 2018.

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On April 12, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 18 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 8,142 crore, inclusive of corporate dividend tax of ₹ 1,388 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*	**N Chandrasekaran** *Chairman*	**V Ramakrishnan** *CFO*	**O P Bhatt** *Director*	**Hanne Birgitte Breinbjerg Sorensen** *Director*
Yezdi Nagporewalla *Partner* *Membership No: 049265*	**Rajesh Gopinathan** *CEO and Managing Director*	**Aman Mehta** *Director*	**Aarthi Subramanian** *Director*	**Dr Pradeep Kumar Khosla** *Director*
	N Ganapathy Subramaniam *COO and Executive Director*	**Dr Ron Sommer** *Director*	**Keki M Mistry** *Director*	**Daniel Hughes Callahan** *Director*
Mumbai, April 12, 2019	**Rajendra Moholkar** *Company Secretary*			

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, 2018	March 31, 2019	INR	1.000000	2	86	171	83	31	154	35	10	25	13	89%	India
2	MP Online Limited	September 8, 2006	April 1, 2018	March 31, 2019	INR	1.000000	1	94	126	31	11	77	29	8	21	11	89%	India
3	C-Edge Technologies Limited	January 19, 2006	April 1, 2018	March 31, 2019	INR	1.000000	10	189	279	80	-	274	99	35	64	29	51%	India
4	MahaOnline Limited	September 23, 2010	April 1, 2018	March 31, 2019	INR	1.000000	3	63	138	72	25	79	21	6	15	7	74%	India
5	CMC Americas, Inc.	August 9, 2004	April 1, 2018	March 31, 2019	USD	69.136300	11	65	110	34	-	199	44	14	30	-	100%	U.S.A.
6	TCS e-Serve International Limited	December 31, 2008	April 1, 2018	March 31, 2019	INR	1.000000	10	138	767	619	46	1,197	(91)	(33)	(58)	-	100%	India
7	TCS e-Serve America, Inc.	February 10, 2009	January 1, 2018	December 31, 2018	USD	69.136300	2	53	85	30	-	286	39	9	30	-	100%	U.S.A.
8	Diligenta Limited	August 23, 2005	January 1, 2018	December 31, 2018	GBP	90.077640	9	930	1,803	864	509	3,012	273	52	221	-	100%	U.K.
9	Tata Consultancy Services Canada Inc.	October 1, 2009	April 1, 2018	March 31, 2019	CAD	51.513524	36	769	1,526	721	-	5,006	542	146	396	-	100%	Canada
10	Tata America International Corporation	August 9, 2004	April 1, 2018	March 31, 2019	USD	69.136300	1	2,336	4,017	1,680	121	4,072	632	(1,121)	1,753	-	100%	U.S.A.
11	Tata Consultancy Services Asia Pacific Pte Ltd.	August 9, 2004	April 1, 2018	March 31, 2019	USD	69.136300	30	500	1,003	473	522	1,837	123	14	109	-	100%	Singapore
12	Tata Consultancy Services (China) Co., Ltd.	November 16, 2006	January 1, 2018	December 31, 2018	CNY	10.297794	208	(33)	252	77	-	738	28	(4)	32	-	93.2%	China
13	Tata Consultancy Services Japan, Ltd.	July 1, 2014	April 1, 2018	March 31, 2019	JPY	0.624030	270	868	2,032	894	-	4,662	279	87	192	-	51%	Japan
14	Tata Consultancy Services Malaysia Sdn Bhd	August 9, 2004	April 1, 2018	March 31, 2019	MYR	16.937699	3	140	259	116	-	497	19	5	14	-	100%	Malaysia
15	PT Tata Consultancy Services Indonesia	October 5, 2006	April 1, 2018	March 31, 2019	IDR	0.004852	-	32	53	21	-	65	18	5	13	-	100%	Indonesia
16	Tata Consultancy Services (Philippines) Inc.	September 19, 2008	April 1, 2018	March 31, 2019	PHP	1.314953	(36)	222	300	114	-	503	15	1	14	-	100%	Philippines
17	Tata Consultancy Services (Thailand) Limited	May 12, 2008	April 1, 2018	March 31, 2019	THB	2.178207	2	15	23	6	-	47	4	1	3	-	100%	Thailand
18	Tata Consultancy Services Belgium	August 9, 2004	April 1, 2018	March 31, 2019	EUR	77.619315	1	337	601	263	-	1,584	223	68	155	-	100%	Belgium
19	Tata Consultancy Services Deutschland GmbH	August 9, 2004	April 1, 2018	March 31, 2019	EUR	77.619315	1	525	1,288	762	-	4,053	320	101	219	-	100%	Germany
20	Tata Consultancy Services Sverige AB	August 9, 2004	April 1, 2018	March 31, 2019	SEK	7.453566	-	460	1,102	642	-	2,861	220	51	169	-	100%	Sweden
21	Tata Consultancy Services Netherlands BV	August 9, 2004	April 1, 2018	March 31, 2019	EUR	77.619315	512	2,714	4,074	848	1,489	4,371	399	(385)	784	-	100%	Netherlands
22	TCS Italia s.r.l.	August 9, 2004	April 1, 2018	March 31, 2019	EUR	77.619315	17	4	161	140	-	395	20	8	12	-	100%	Italy
23	Tata Consultancy Services Luxembourg S.A.	October 28, 2005	April 1, 2018	March 31, 2019	EUR	77.619315	43	38	128	47	-	222	40	10	30	-	100%	Capellen (G.D. de Luxembourg)
24	Tata Consultancy Services Switzerland Ltd.	October 31, 2006	April 1, 2018	March 31, 2019	CHF	69.462775	10	272	789	507	-	2,076	175	35	140	-	100%	Switzerland
25	Tata Consultancy Services Osterreich GmbH	March 9, 2012	April 1, 2018	March 31, 2019	EUR	77.619315	-	5	12	7	-	27	4	-	4	-	100%	Austria
26	Tata Consultancy Services Danmark ApS	March 16, 2012	April 1, 2018	March 31, 2019	DKK	10.398469	1	3	26	22	-	49	1	-	1	-	100%	Denmark
27	Tata Consultancy Services De Espana S.A.	August 9, 2004	April 1, 2018	March 31, 2019	EUR	77.619315	-	25	133	108	-	266	2	(3)	5	-	100%	Spain
28	Tata Consultancy Services (Portugal) Unipessoal, Limitada	July 4, 2005	April 1, 2018	March 31, 2019	EUR	77.619315	-	(3)	21	24	-	25	5	-	5	-	100%	Portugal
29	Tata Consultancy Services France SA	June 28, 2013	April 1, 2018	March 31, 2019	EUR	77.619315	3	(381)	901	1,279	-	1,581	(36)	14	(50)	-	100%	France
30	Tata Consultancy Services Saudi Arabia	July 2, 2015	April 1, 2018	March 31, 2019	SAR	18.433397	7	168	213	38	-	376	88	18	70	-	76%	Saudi Arabia
31	Tata Consultancy Services (Africa) (PTY) Ltd.	October 23, 2007	April 1, 2018	March 31, 2019	ZAR	4.750754	7	44	51	-	51	-	32	-	32	-	100%	South Africa
32	Tata Consultancy Services (South Africa) (PTY) Ltd.	October 31, 2007	April 1, 2018	March 31, 2019	ZAR	4.750754	9	70	333	254	-	828	49	14	35	-	100%	South Africa
33	TCS FNS Pty Limited	October 17, 2005	April 1, 2018	March 31, 2019	AUD	49.003809	183	(35)	164	16	164	-	29	-	29	-	100%	Australia
34	TCS Financial Solutions Beijing Co., Ltd.	December 29, 2006	January 1, 2018	December 31, 2018	CNY	10.297794	38	(22)	63	47	-	69	6	-	6	-	100%	China
35	TCS Financial Solutions Australia Holdings Pty Limited	October 19, 2005	April 1, 2018	March 31, 2019	AUD	49.003809	68	(20)	48	-	1	-	25	-	25	-	100%	Australia
36	TCS Financial Solutions Australia Pty Limited	October 19, 2005	April 1, 2018	March 31, 2019	AUD	49.003809	-	133	171	38	35	70	51	13	38	-	100%	Australia
37	TCS Iberoamerica SA	August 9, 2004	April 1, 2018	March 31, 2019	USD	69.136300	680	763	1,492	49	1,491	-	231	22	209	-	100%	Uruguay
38	TCS Solution Center S.A.	August 9, 2004	April 1, 2018	March 31, 2019	UYU	2.055181	74	148	355	133	-	689	110	28	82	-	100%	Uruguay
39	Tata Consultancy Services Argentina S.A.	August 9, 2004	April 1, 2018	March 31, 2019	ARS	1.584932	7	11	69	51	-	38	(16)	-	(16)	-	100%	Argentina
40	Tata Consultancy Services Do Brasil Ltda	August 9, 2004	January 1, 2018	December 31, 2018	BRL	17.721804	312	(154)	357	199	-	608	21	(64)	85	-	100%	Brazil

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											
41	Tata Consultancy Services De Mexico S.A., De C.V.	August 9, 2004	January 1, 2018	December 31, 2018	MXN	3.577428	1	813	1,173	359	-	2,090	338	136	202	-	100%	Mexico
42	Tata Consultancy Services Chile S.A.	August 9, 2004	January 1, 2018	December 31, 2018	CLP	0.101417	172	298	553	83	68	483	37	(6)	43	-	100%	Chile
43	TCS Inversiones Chile Limitada	August 9, 2004	January 1, 2018	December 31, 2018	CLP	0.101417	155	171	347	21	326	31	103	2	101	-	100%	Chile
44	TATASOLUTION CENTER S.A.	December 28, 2006	January 1, 2018	December 31, 2018	USD	69.136300	21	49	183	113	-	555	52	17	35	-	100%	Ecuador
45	TCS Uruguay S.A.	January 1, 2010	April 1, 2018	March 31, 2019	UYU	2.055181	-	62	108	46	4	227	44	1	43	-	100%	Uruguay
46	MGDC S.C.	January 1, 2010	January 1, 2018	December 31, 2018	MXN	3.577428	-	201	348	147	-	1,279	117	47	70	-	100%	Mexico
47	Technology Outsourcing S.A.C.	October 30, 2015	January 1, 2018	December 31, 2018	PEN	20.819170	11	-	22	11	-	68	6	2	4	-	100%	Peru
48	Tata Consultancy Services Qatar S.S.C.	December 20, 2011	April 1, 2018	March 31, 2019	QAR	18.894862	4	39	55	12	-	43	11	1	10	-	100%	Qatar
49	W12 Studios Limited	October 31, 2018	April 1, 2018	March 31, 2019	GBP	90.077640	-	23	34	11	-	10	2	1	1	-	100%	U.K.
50	TCS Foundation	March 25, 2015	April 1, 2018	March 31, 2019	INR	1.000000	1	712	719	6	80	-	76	-	76	-	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, 2019.
2. Proposed dividend includes dividend proposed during the year but not paid.
3. CMC eBiz, Inc. was liquidated w.e.f. June 19, 2018.
4. W12 Studios Limited was acquired w.e.f. October 31, 2018.
5. Tata Consultancy Services Argentina S.A. has become a wholly owned subsidiary w.e.f. September 6, 2018.

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 12, 2019

For and on behalf of the Board

N Chandrasekaran
Chairman

V Ramakrishnan
CFO

O P Bhatt
Director

Hanne Birgitte Breinbjerg Sorensen
Director

Rajesh Gopinathan
CEO and Managing Director

Aman Mehta
Director

Aarthi Subramanian
Director

Dr Pradeep Kumar Khosla
Director

N Ganapathy Subramaniam
COO and Executive Director

Dr Ron Sommer
Director

Keki M Mistry
Director

Daniel Hughes Callahan
Director

Rajendra Moholkar
Company Secretary