TATA CONSULTANCY SERVICES LIMITED
Standalone Balance Sheet

	Note	As at March 31, 2020	As at March 31, 2019
			(₹crore)
ASSETS			
Non-current assets			
Property, plant and equipment	8(a)	9,835	9,522
Capital work-in-progress		781	834
Right-of-use assets	7	6,048	-
Intangible assets	8(b)	239	139
Financial assets			
Investments	6(a)	2,189	2,189
Trade receivables	6(b)	74	95
Unbilled receivables		324	387
Loans receivables	6(e)	2	2
Other financial assets	6(f)	624	565
Income tax assets (net)		2,020	3,598
Deferred tax assets (net)	15	2,219	2,097
Other assets	8(c)	1,426	1,040
Total non-current assets		**25,781**	**20,468**
Current assets			
Inventories	8(d)	5	10
Financial assets			
Investments	6(a)	25,686	28,280
Trade receivables	6(b)	28,660	24,029
Unbilled receivables		4,763	4,389
Cash and cash equivalents	6(c)	3,852	3,327
Other balances with banks	6(d)	972	5,573
Loans receivables	6(e)	7,270	7,018
Other financial assets	6(f)	1,448	1,613
Other assets	8(c)	6,538	4,793
Total current assets		**79,194**	**79,032**
TOTAL ASSETS		**104,975**	**99,500**
EQUITY AND LIABILITIES			
Equity			
Share capital	6(m)	375	375
Other equity	9	73,993	78,523
Total equity		**74,368**	**78,898**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		5,262	33
Other financial liabilities	6(h)	237	232
Unearned and deferred revenue		644	662
Employee benefit obligations	12	91	82
Deferred tax liabilities (net)	15	347	339
Other liabilities	8(f)	-	358
Total non-current liabilities		**6,581**	**1,706**
Current liabilities			
Financial liabilities			
Lease liabilities		848	-
Trade payables			
Dues of micro enterprises and small enterprises	6(g)	-	22
Dues of creditors other than micro enterprises and small enterprises		8,734	7,670
Other financial liabilities	6(h)	4,694	3,351
Unearned and deferred revenue		2,271	1,804
Provisions	8(e)	235	174
Employee benefit obligations	12	2,057	1,776
Income tax liabilities (net)		3,139	2,157
Other liabilities	8(f)	2,048	1,942
Total current liabilities		**24,026**	**18,896**
TOTAL EQUITY AND LIABILITIES		**104,975**	**99,500**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

For and on behalf of the Board

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

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

Yezdi Nagporewalla
Partner
Membership No: 049265

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 16, 2020

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Profit and Loss

	Note	Year ended March 31, 2020	Year ended March 31, 2019
			(₹ crore)
Revenue	10	131,306	123,170
Other income	11	8,082	7,627
TOTAL INCOME		**139,388**	**130,797**
Expenses			
Employee benefit expenses	12	64,906	59,377
Cost of equipment and software licences	13(a)	1,596	2,003
Depreciation and amortisation expense		2,701	1,716
Other expenses	13(b)	27,451	26,826
Finance costs	14	743	170
TOTAL EXPENSES		**97,397**	**90,092**
PROFIT BEFORE TAX		**41,991**	**40,705**
Tax expense			
Current tax	15	9,012	9,943
Deferred tax	15	(281)	697
TOTAL TAX EXPENSE		**8,731**	**10,640**
PROFIT FOR THE YEAR		**33,260**	**30,065**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(409)	(17)
Net change in fair values of investments in equity shares carried at fair value through OCI		-	(1)
Income tax on items that will not be reclassified subsequently to profit or loss		86	3
Items that will be reclassified subsequently to profit or loss			
Net change in fair values of investments other than equity shares carried at fair value through OCI		958	425
Net change in intrinsic value of derivatives designated as cash flow hedges		(94)	153
Net change in time value of derivatives designated as cash flow hedges		(52)	44
Income tax on items that will be reclassified subsequently to profit or loss		(315)	(171)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**174**	**436**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**33,434**	**30,501**
Earnings per equity share:- Basic and diluted (₹)	16	88.64	79.34
Weighted average number of equity shares		375,23,84,706	378,97,49,350

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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Company Secretary

Mumbai, April 16, 2020

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹crore)

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

(₹ crore)

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

*Refer note 6(m)

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Changes in Equity

B. OTHER EQUITY

(₹crore)

	Reserves and surplus				Items of other comprehensive income			Total Equity
	Capital reserve[3]	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve		
						Intrinsic value	Time value	
Balance as at April 1, 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[1]	-	8	-	(16,000)	-	-	-	(15,992)
Expenses for buy -back of equity shares[1]	-	-	-	(45)	-	-	-	(45)
Issue of bonus shares[1]	-	(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**
Balance as at April 1, 2019	**-**	**8**	**994**	**77,159**	**258**	**134**	**(30)**	**78,523**
Transition impact of Ind AS 116, net of tax[2]	-	-	-	(330)	-	-	-	**(330)**
Restated balance as at April 1, 2019	**-**	**8**	**994**	**76,829**	**258**	**134**	**(30)**	**78,193**
Profit for the year	-	-	-	33,260	-	-	-	33,260
Other comprehensive income / (losses)	-	-	-	(323)	624	(89)	(38)	174
Total comprehensive income	**-**	**-**	**-**	**32,937**	**624**	**(89)**	**(38)**	**33,434**
Dividend (including tax on dividend of ₹ 5,738 crore)	-	-	-	(37,634)	-	-	-	(37,634)
Transfer to Special Economic Zone re-investment reserve	-	-	2,947	(2,947)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	(2,347)	2,347	-	-	-	-
Balance as at March 31, 2020	**-**	**8**	**1,594**	**71,532**	**882**	**45**	**(68)**	**73,993**

[1]Refer note 6(m)
[2]Refer note 7
[3]Represents values less than ₹ 0.50 crore.

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Changes in Equity

Nature and purpose of reserves

a. Capital reserve

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

b. Capital redemption reserve

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

c. Special Economic Zone re-investment reserve

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

d. Investment revaluation reserve

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

e. 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 STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

For and on behalf of the Board

For **B S R & Co. LLP**
Chartered Accountants
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Partner
Membership No: 049265

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 16, 2020

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Cash Flows

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹crore)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	33,260	30,065
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	2,701	1,716
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	132	188
Tax expense	8,731	10,640
Net gain on lease modification	(4)	-
Unrealised foreign exchange (gain) / loss	(130)	7
Net gain on disposal of property, plant and equipment	(50)	(84)
Net gain on investments	(197)	(416)
Interest income	(3,197)	(2,651)
Dividend income (Including exchange gain)	(3,995)	(3,574)
Finance costs	743	170
Operating profit before working capital changes	**37,994**	**36,061**
Net change in		
Inventories	5	16
Trade receivables	(4,736)	(5,335)
Unbilled receivables	(311)	733
Loans receivables and other financial assets	(72)	(417)
Other assets	(3,072)	(3,036)
Trade payables	1,042	2,915
Unearned and deferred revenue	449	755
Other financial liabilities	1,183	610
Other liabilities and provisions	487	400
Cash generated from operations	**32,969**	**32,702**
Taxes paid (net of refunds)	(6,366)	(8,704)
Net cash generated from operating activities	**26,603**	**23,998**
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(6,999)	(5,690)
Inter-corporate deposits placed	(13,694)	(13,222)
Purchase of investments	(77,191)	(92,020)
Payment for purchase of property, plant and equipment	(1,951)	(1,556)
Payment including advances for acquiring right-of-use assets	(519)	-
Payment for purchase of intangible assets	(172)	(161)
Proceeds from bank deposits	11,612	2,339
Proceeds from inter-corporate deposits	13,400	10,472
Proceeds from disposal / redemption of investments	80,865	99,561
Proceeds from disposal of property, plant and equipment	130	98
Interest received	3,353	2,554
Dividend received from subsidiaries	3,995	3,574
Acquisition of subsidiary	-	(66)
Net cash generated from investing activities	**12,829**	**5,883**

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Cash Flows

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ crore)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of equity shares	-	(16,000)
Expenses for buy-back of equity shares	-	(45)
Short-term borrowings (net)	-	(181)
Dividend paid (including tax on dividend)	(37,634)	(11,424)
Repayment of lease liabilities	(668)	(5)
Interest paid	(743)	(170)
Net cash used in financing activities	**(39,045)**	**(27,825)**
Net change in cash and cash equivalents	**387**	**2,056**
Cash and cash equivalents at the beginning of the year	3,327	1,278
Exchange difference on translation of foreign currency cash and cash equivalents	138	(7)
Cash and cash equivalents at the end of the year (Refer note 6(c))	**3,852**	**3,327**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

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For **B S R & Co. LLP**
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V Ramakrishnan
CFO

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Company Secretary

Mumbai, April 16, 2020

1) Corporate information

Tata Consultancy Services Limited (referred to as "TCS Limited" or "the Company") provides IT services, consulting and business solutions and has been partnering with many of the world's largest businesses in their transformation journeys 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, 2020, Tata Sons Private Limited, the holding company owned 72.02% of the Company's equity share capital.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2020 and authorised for issue on April 16, 2020.

2) Statement of compliance

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

3) Basis of preparation

These standalone financial statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method.

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

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

4) Use of estimates and judgements

The preparation of these standalone 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.

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

a. 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 and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue 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.

b. Useful lives of property, plant and equipment

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

c. Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

d. Fair value measurement of financial instruments

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

e. Provision for income tax and deferred tax assets

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

f. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence 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.

g. Employee benefits

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

h. Leases

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

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

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

5) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

6) Financial assets, financial liabilities and equity instruments

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

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

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Investment in subsidiaries

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

Financial liabilities

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

Equity instruments

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

Derivative accounting

- **Instruments in hedging relationship**

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

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

  The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

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

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

- **Instruments not in hedging relationship**

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

Impairment of financial assets (other than at fair value)

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

a. Investments

Investments consist of the following:

Investments – Non-current

		(₹ crore)
	As at March 31, 2020	**As at March 31, 2019**
Investment in subsidiaries		
Fully paid equity shares (unquoted)	2,189	2,189
Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)		
Taj Air Limited	19	19
Less: Impairment in value of investments	(19)	(19)
	2,189	**2,189**

Investments – Current

		(₹ crore)
	As at March 31, 2020	**As at March 31, 2019**
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	1,264	2,955
Mutual fund units (unquoted)	-	63
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	24,290	23,566
Corporate bonds (quoted)	132	1,206
Investments carried at amortised cost		
Certificate of deposits (quoted)	-	490
	25,686	**28,280**

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of the Standalone Financial Statements

Aggregate value of quoted and unquoted investments is as follows:

	As at March 31, 2020	As at March 31, 2019
	(₹crore)	
Aggregate value of quoted investments	25,686	28,217
Aggregate value of unquoted investments (net of impairment)	2,189	2,252
Aggregate market value of quoted investments	25,686	28,218
Aggregate value of impairment of investments	19	19

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

	As at March 31, 2020	As at March 31, 2019
	(₹crore)	
Certificate of deposits	-	491

(₹crore)

In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2020	As at March 31, 2019
			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	66
10,00,000	INR	10	TCS Foundation	-	-
				2,189	2,189

(₹crore)

In Numbers	Currency	Face value per share	Investments designated at fair value through OCI	As at March 31, 2020	As at March 31, 2019
			Fully paid equity shares (unquoted)		
1,90,00,000	INR	10	Taj Air Limited	19	19
			Less : Impairment in value of investments	(19)	(19)
				-	-

*Represents value less than ₹0.50 crore.

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

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ crore)
Balance at the beginning of the year	**258**	**(18)**
Net gain / (loss) arising on revaluation of financial assets carried at fair value	-	(1)
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	972	425
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(340)	(149)
Net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	(14)	-
Deferred tax relating to net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	6	-
Balance at the end of the year	**882**	**258**

b. Trade receivables

Trade receivables (unsecured) consist of the following:

Trade receivables – Non-current

	As at March 31, 2020	As at March 31, 2019
		(₹ crore)
Trade receivables	656	569
Less: Allowance for doubtful trade receivables	(582)	(474)
Considered good	74	**95**

Trade receivables – Current

	As at March 31, 2020	As at March 31, 2019
		(₹ crore)
Trade receivables	28,822	24,227
Less: Allowance for doubtful trade receivables	(227)	(222)
Considered good	**28,595**	**24,005**
Trade receivables	194	165
Less: Allowance for doubtful trade receivables	(129)	(141)
Credit impaired	**65**	**24**
	28,660	**24,029**

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

c. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at March 31, 2020	As at March 31, 2019
		(₹crore)
Balances with banks		
In current accounts	3,848	2,919
In deposit accounts	4	406
Cheques on hand*	-	2
Cash on hand*	-	-
Remittances in transit*	-	-
	3,852	**3,327**

*Represents value less than ₹0.50 crore.

d. Other balances with banks

Other balances with banks consist of the following:

	As at March 31, 2020	As at March 31, 2019
		(₹crore)
Earmarked balances with banks	185	173
Short-term bank deposits	787	5,400
	972	**5,573**

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

e. Loans receivables

Loans receivables (unsecured) consist of the following:

Loans receivables – Non-current

	As at March 31, 2020	As at March 31, 2019
		(₹crore)
Considered good		
Loans and advances to employees	2	2
	2	**2**

Loans receivables – Current

	As at March 31, 2020	As at March 31, 2019
		(₹crore)
Considered good		
Inter-corporate deposits	7,044	6,750
Loans and advances to employees	226	268
Credit impaired		
Loans and advances to employees	14	61
Less: Allowance on loans and advances to employees	(14)	(61)
	7,270	**7,018**

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

f. Other financial assets

Other financial assets consist of the following:

Other financial assets – Non-current

	(₹ crore)	
	As at March 31, 2020	**As at March 31, 2019**
Security deposits	617	565
Others	7	-
	624	**565**

Other financial assets – Current

	(₹ crore)	
	As at March 31, 2020	**As at March 31, 2019**
Security deposits	148	101
Fair value of foreign exchange derivative assets	425	584
Interest receivable	691	770
Others	184	158
	1,448	**1,613**

g. Micro and small enterprises

				(₹ crore)
	As at March 31, 2020		**As at March 31, 2019**	
	Principal	**Interest**	**Principal**	**Interest**
Amount due to vendor	-	-	22	-
Principal amount paid (includes unpaid) beyond the appointed date	140	2	33	-
Interest due and payable for the year*	-	-	-	-
Interest accrued and remaining unpaid (includes interest disallowable of ₹1 crore (March 31, 2019: ₹1 crore))	-	-	-	1

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.

h. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Non-current

	(₹ crore)	
	As at March 31, 2020	**As at March 31, 2019**
Capital creditors	3	3
Others	234	229
	237	**232**

Others include advance taxes paid of ₹226 crore and ₹226 crore as at March 31, 2020 and March 31, 2019, 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.

Other financial liabilities – Current

	As at March 31, 2020	As at March 31, 2019
		(₹ crore)
Accrued payroll	2,745	2,151
Current maturities of finance lease obligations	-	6
Unclaimed dividends	53	41
Fair value of foreign exchange derivative liabilities	693	59
Capital creditors	383	257
Liabilities towards customer contracts	759	810
Others	61	27
	4,694	**3,351**

i. Financial instruments by category

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

(₹ crore)

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

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

The carrying value of financial instruments by categories as at 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
Lease liabilities	-	-	-	-	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.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans receivables and trade payables as at March 31, 2020 and March 31, 2019 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is Nil and ₹491 crore as at March 31, 2020 and March 31, 2019, respectively.

j. Fair value hierarchy:

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

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

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

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, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Mutual fund units	1,264	-	-	1,264
Equity shares	-	-	-	-
Government bonds and securities	24,290	-	-	24,290
Corporate bonds	132	-	-	132
Derivative financial assets	-	425	-	425
Total	**25,686**	**425**	**-**	**26,111**
Financial liabilities				
Derivative financial liabilities	-	693	-	693
Total	**-**	**693**	**-**	**693**

				(₹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
Total	**-**	**59**	**-**	**59**

Reconciliation of Level 3 fair value measurement is as follows:

		(₹crore)
	Year ended March 31, 2020	**Year ended March 31, 2019**
Balance at the beginning of the year	-	3
Disposals during the year	-	(3)
Impairment in value of investments	-	-
Balance at the end of the year	-	-

k. Derivative financial instruments and hedging activity

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

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

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

	As at March 31, 2020			As at March 31, 2019		
Foreign currency	**No. of contracts**	**Notional amount of contracts (In million)**	**Fair value (₹crore)**	**No. of contracts**	**Notional amount of contracts (In million)**	**Fair value (₹crore)**
US Dollar	55	1,420	20	28	1,000	128
Great Britain Pound	71	384	59	24	177	23
Euro	38	363	(31)	33	239	50
Australian Dollar	26	192	48	26	181	22
Canadian Dollar	19	104	16	21	99	14

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

(₹crore)

	Year ended March 31, 2020		Year ended March 31, 2019	
	Intrinsic value	**Time value**	**Intrinsic value**	**Time value**
Balance at the beginning of the year	134	(30)	(2)	(69)
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	(449)	513	(488)	458
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	54	(38)	94	(25)
Change in the fair value of effective portion of cash flow hedges	355	(565)	641	(414)
Deferred tax on fair value of effective portion of cash flow hedges	(49)	52	(111)	20
Balance at the end of the year	**45**	**(68)**	**134**	**(30)**

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2020 and 2019, the notional amount of outstanding contracts aggregated to ₹40,109 crore and ₹34,593 crore, respectively and the respective fair value of these contracts have a net loss of ₹380 crore and net gain of ₹288 crore.

Exchange loss of ₹451 crore and exchange gain of ₹405 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the standalone statement of profit and loss for the years ended March 31, 2020 and 2019, respectively.

Net foreign exchange gains include loss of ₹64 crore and gain of ₹30 crore transferred from cash flow hedging reserve for the years ended March 31, 2020 and 2019, respectively.

Net loss on derivative instruments of ₹23 crore recognised in cash flow hedging reserve as at March 31, 2020, is expected to be transferred to the statement of profit and loss by March 31, 2021. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2020.

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, 2020	**As at March 31, 2019**
10% Appreciation of the underlying foreign currencies	(407)	(64)
10% Depreciation of the underlying foreign currencies	1,261	1,370

l. Financial risk management

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

Market risk

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

- **Foreign currency exchange rate risk**

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

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

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

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

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

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

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

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

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

The following table sets forth information relating to unhedged 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 functional currency of the Company with respect to various foreign currencies would result in decrease / increase in the Company's profit before taxes by approximately ₹173 crore for the year ended March 31, 2019.

Impact of COVID-19 (Global pandemic)

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

- **Interest rate risk**

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

Credit risk

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, loans receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹ 7,044 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹ 787 crore held with one Indian bank having high credit rating which is individually in excess of 10% or more of the Company's total bank deposits as at March 31, 2020. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 71,975 crore and ₹ 75,278 crore as at March 31, 2020, and 2019, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, unbilled receivables, loans receivables, 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 and contract assets as at March 31, 2020 and March 31, 2019.

- **Geographic concentration of credit risk**

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

	As at March 31, 2020		As at March 31, 2019	
	Gross%	Net%	Gross%	Net%
United States of America	47.95	48.96	49.42	50.53
India	14.45	12.80	16.45	14.87
United Kingdom	15.03	15.26	15.39	15.55

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

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2020 and 2019 was ₹125 crore and ₹187 crore, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(₹crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	837	651
Change during the year	125	187
Bad debts written off	(40)	(3)
Translation Exchange difference	16	2
Balance at the end of the year	**938**	**837**

Liquidity risk

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

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

(₹ crore)

March 31, 2020	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	8,734	-	-	-	8,734
Lease liabilities	1,261	1,099	2,638	3,507	8,505
Other financial liabilities	4,001	10	227	-	4,238
	13,996	**1,109**	**2,865**	**3,507**	**21,477**
Derivative financial liabilities	693	-	-	-	693
Total	**14,689**	**1,109**	**2,865**	**3,507**	**22,170**

March 31, 2019	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total (₹ crore)
Non-derivative financial liabilities					
Trade payables	7,692	-	-	-	7,692
Lease liabilities	-	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**

Other risk – Impact of COVID-19

Financial instruments carried at fair value as at March 31, 2020 is ₹26,111 crore and financial instruments carried at amortised cost as at March 31, 2020 is ₹45,864 crore. A significant part of the financial assets are classified as Level 1 having fair value of ₹25,686 crore as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets of ₹4,824 crore as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of ₹28,734 crore as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to customers in Retail, Travel, Transportation and Hospitality, Manufacturing and Energy verticals which could have an immediate impact and the rest which could have an impact with a lag. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables and contract assets of ₹8,573 crore as at March 31, 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹938 crore as at March 31, 2020 is considered adequate.

m. Equity instruments

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

	As at March 31, 2020 (₹crore)	As at March 31, 2019 (₹crore)
Authorised		
460,05,00,000 equity shares of ₹ 1 each (March 31, 2019: 460,05,00,000 equity shares of ₹ 1 each)	460	460
105,02,50,000 preference shares of ₹ 1 each (March 31, 2019: 105,02,50,000 preference shares of ₹ 1 each)	105	105
	565	**565**
Issued, Subscribed and Fully paid up		
375,23,84,706 equity shares of ₹ 1 each (March 31, 2019: 375,23,84,706 equity shares of ₹ 1 each)	375	375
	375	**375**

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

In the previous year, 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 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 in the previous year. The equity shares bought back were extinguished on September 26, 2018.

a. Reconciliation of number of shares

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	375,23,84,706	375	191,42,87,591	191
Issued during the year	-	-	191,42,87,591	192
Shares extinguished on buy-back	-	-	(7,61,90,476)	(8)
Closing balance	**375,23,84,706**	**375**	**375,23,84,706**	**375**

b. Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

c. Shares held by Holding Company, its Subsidiaries and Associates

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Equity shares		
Holding company		
270,24,50,947 equity shares (March 31, 2019: 270,24,50,947 equity shares) are held by Tata Sons Private Limited	270	270
Subsidiaries and Associates of Holding company		
7,220 equity shares (March 31, 2019: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,36,269 equity shares (March 31, 2019: 10,36,269 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2019: 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2019: 766 equity shares) are held by The Tata Power Company Limited*	-	-
Total	**270**	**270**

*Equity shares having value less than ₹ 0.50 crore.

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

	As at March 31, 2020	As at March 31, 2019
Equity shares		
Tata Sons Private Limited, the holding company	270,24,50,947	270,24,50,947
% of shareholding	72.02%	72.02%

e. Equity shares movement during the 5 years preceding March 31, 2020

- **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.

- **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.

- **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.

7) Leases

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

Company as a lessee

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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

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

Company as a lessor

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

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

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. 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 lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied 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 has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Refer note 2(f) – Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

Company as a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised 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 of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹4,786 crore and a corresponding lease liability of ₹5,179 crore has been recognized. The cumulative effect on transition in retained earnings net off taxes is ₹330 crore (including a deferred tax of ₹147 crore). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 7.80% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

Finance lease

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹25 crore has been reclassified from property, plant and equipment to right-of-use assets. An amount of ₹6 crore has been reclassified from other current financial liabilities to lease liability – current and an amount of ₹33 crore has been reclassified from borrowings – non-current to lease liability – non-current.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

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

		(₹ crore)
	Additions for the year ended March 31, 2020	**Net carrying amount as at March 31, 2020**
Leasehold land	474	690
Buildings	1,689	5,336
Leasehold improvement	-	20
Vehicles	-	2
Total	**2,163**	**6,048**

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

	(₹ crore)
	Year ended March 31, 2020
Depreciation	
Leasehold land	4
Buildings	837
Leasehold improvement	5
Vehicles	1
	847

Interest on lease liabilities is ₹416 crore for the year year ended March 31, 2020.

The Company incurred ₹190 crore for the year ended March 31, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹1,793 crores for the year ended March 31, 2020, including cash outflow for short term and low value leases. The Company has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods as at March 31, 2020 is ₹457 crore.

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

Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

8) Non-financial assets and non-financial liabilities

a. Property, plant and equipment

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

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual 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	4-10 years
Furniture and fixtures	5 years

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

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

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

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, 2019	323	7,348	1,820	539	6,273	36	2,164	1,802	1,420	21,725
Transition impact of Ind AS 116 (Refer note 7)	-	-	(61)	-	-	-	-	-	-	(61)
Restated cost as at April 1, 2019	**323**	**7,348**	**1,759**	**539**	**6,273**	**36**	**2,164**	**1,802**	**1,420**	**21,664**
Additions	-	287	188	128	1,190	5	174	98	130	2,200
Disposals	-	(7)	(123)	-	(190)	(2)	(75)	(18)	(40)	(455)
Cost as at March 31, 2020	**323**	**7,628**	**1,824**	**667**	**7,273**	**39**	**2,263**	**1,882**	**1,510**	**23,409**
Accumulated depreciation as at April 1, 2019	**-**	**(2,150)**	**(1,010)**	**(166)**	**(4,975)**	**(29)**	**(1,740)**	**(1,029)**	**(1,104)**	**(12,203)**
Transition impact of Ind AS 116 (Refer note 7)	-	-	36	-	-	-	-	-	-	36
Restated accumulated depreciation balance as at April 1, 2019	**0**	**(2,150)**	**(974)**	**(166)**	**(4,975)**	**(29)**	**(1,740)**	**(1,029)**	**(1,104)**	**(12,167)**
Depreciation for the year	-	(374)	(115)	(58)	(750)	(5)	(203)	(140)	(137)	(1,782)
Disposals	-	6	47	-	189	2	75	17	39	375
Accumulated depreciation as at March 31, 2020	**-**	**(2,518)**	**(1,042)**	**(224)**	**(5,536)**	**(32)**	**(1,868)**	**(1,152)**	**(1,202)**	**(13,574)**
Net carrying amount as at March 31, 2020	**323**	**5,110**	**782**	**443**	**1,737**	**7**	**395**	**730**	**308**	**9,835**

(₹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**

Net book value of leasehold improvements of ₹25 crore as at March 31, 2019 were under finance lease.

b. 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 economic useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

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

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

Intangible assets consist of the following:

	(₹ crore)
	Rights under licensing agreement and software licences
Cost as at April 1, 2019	**229**
Additions	172
Disposals / Derecognised	-
Cost as at March 31, 2020	**401**
Accumulated amortisation as at April 1, 2019	**(90)**
Amortisation for the year	(72)
Disposals / Derecognised	-
Accumulated amortisation as at March 31, 2020	**(162)**
Net carrying amount as at March 31, 2020	**239**

	(₹ 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**

The estimated amortisation for the years subsequent to March 31, 2020 is as follows:

	(₹crore)
Year ending March 31,	**Amortisation expense**
2021	83
2022	83
2023	57
2024	16
Thereafter	0
	239

c. Other assets

Other assets consist of the following:

Other assets – Non-current

		(₹crore)
	As at March 31, 2020	**As at March 31, 2019**
Considered good		
Contract assets	145	100
Prepaid expenses	737	151
Prepaid rent	-	339
Contract fulfillment costs	186	174
Capital advances	50	272
Advances to related parties	36	3
Others	272	1
	1,426	**1,040**
Advances to related parties, considered good, comprise:		
Voltas Limited	3	2
Tata Realty and Infrastructure Ltd*	-	-
Concorde Motors (India) Limited	-	1
Tata Projects Limited	33	-
Titan Engineering and Automation Limited*	-	-

*Represents value less than ₹0.50 crore.

Other assets – Current

	As at March 31, 2020	As at March 31, 2019
		(₹crore)
Considered good		
Contract assets	3,341	2,723
Prepaid expenses	1,381	344
Prepaid rent	4	35
Contract fulfillment costs	396	468
Advance to suppliers	75	79
Advance to related parties	11	8
Indirect taxes recoverable	1,131	962
Other advances	114	123
Others	85	51
Considered doubtful		
Advance to suppliers	3	3
Indirect taxes recoverable	2	2
Other advances	3	3
Less: Allowance on doubtful assets	(8)	(8)
	6,538	**4,793**
Advance to related parties, considered good comprise:		
TCS e-Serve International Limited	-	7
The Titan Company Limited	3	1
Tata Consultancy Services Japan, Ltd.	-	-
Tata AIG General Insurance Company Limited	-	1
Tata AIA Life Insurance Company Limited*	1	-
Tata Consultancy Services de Mexico SA de CV = ICP = 930	-	-
Tata Sons Private Limited	7	-

Prepaid rent of ₹366 crore has been reclassified to right-to-use asset pursuant to transition to Ind AS 116.
Non-current - Others includes advance of ₹271 crore towards acquiring right-of-use of leasehold land in the current year.
Contract fulfillment costs of ₹ 406 crore and ₹ 479 crore for the years ended March 31, 2020 and 2019, respectively, have been amortised in the statement of profit and loss. Refer note 10 for the changes in contract asset.

d. Inventories

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

Inventories consist of the following:

	As at March 31, 2020	As at March 31, 2019
		(₹crore)
Raw materials, sub-assemblies and components	5	9
Finished goods and work-in-progress*	-	-
Stores and spares	-	1
	5	**10**

*Represents value less than ₹0.50 crore.

e. Provisions

Provisions consist of the following:

Provisions - Current

	As at March 31, 2020	As at March 31, 2019
		(₹crore)
Provision for foreseeable loss	199	150
Other provisions	36	24
	235	174

f. Other liabilities

Other liabilities consist of the following:

Other liabilities – Non-current

	As at March 31, 2020	As at March 31, 2019
		(₹crore)
Operating lease liabilities	-	358
	-	**358**

Other liabilities – Current

	As at March 31, 2020	As at March 31, 2019
		(₹crore)
Advance received from customers	226	269
Indirect taxes payable and other statutory liabilities	1,762	1,556
Operating lease liabilities	2	47
Others	58	70
	2,048	**1,942**

Operating lease liability of ₹395 crore has been reclassified to retained earnings pursuant to transition to Ind AS 116.

9) Other equity

Other equity consist of the following:

(₹crore)

	As at March 31, 2020	As at March 31, 2019
Capital reserve#	-	-
Capital redemption reserve		
Opening balance	8	106
Transfer from retained earnings	-	8
Issue of bonus shares*	-	(106)
	8	8
Special Economic Zone re-investment reserve		
Opening balance	994	1,578
Transfer from retained earnings	2,947	2,750
Transfer to retained earnings	(2,347)	(3,334)
	1,594	994
Retained earnings		
Opening balance	77,159	74,080
Profit for the year	33,260	30,065
Remeasurement of defined employee benefit plans	(323)	(14)
Utiilised for buy-back of equity shares*	-	(15,992)
Expense relating to buy back of equity shares*	-	(45)
Issue of bonus shares*	-	(86)
Realised loss on equity shares carried at fair value through OCI	-	(1)
Transfer from Special Economic Zone re-investment reserve	2,347	3,334
Transition impact of Ind AS 116	(330)	-
	112,113	91,341
Less: Appropriations		
Dividend on equity shares	31,896	10,085
Tax on dividend	5,738	1,339
Transfer to capital redemption reserve*	-	8
Transfer to Special Economic Zone re-investment reserve	2,947	2,750
	71,532	77,159
Investment revaluation reserve		
Opening balance	258	(18)
Realised (gain) / loss on equity shares carried at fair value through OCI	-	1
Change during the year (net)	624	275
	882	258
Cash flow hedging reserve (Refer Note 6(k))		
Opening balance	104	(71)
Change during the year (net)	(127)	175
	(23)	104
	73,993	**78,523**

*Refer Note 6(m).
#Represents value less than ₹0.50 crore.

10) Revenue recognition

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

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

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

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

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

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

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

Unearned and deferred revenue (“contract liability”) is recognised when there 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 nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

	(₹ crore) Year ended March 31, 2020	Year ended March 31, 2019
Consultancy services	129,565	121,033
Sale of equipment and software licences	1,741	2,137
Total	**131,306**	**123,170**

Revenue disaggregation by industry vertical is as follows:

Industry vertical	(₹ crore) Year ended March 31, 2020	Year ended March 31, 2019
Banking, Financial Services and Insurance	47,811	45,558
Manufacturing	12,161	11,568
Retail and Consumer Business	22,882	22,379
Communication, Media and Technology	23,132	21,131
Others	25,320	22,534
Total	**131,306**	**123,170**

Revenue disaggregation by geography is as follows:

Geography	(₹ crore) Year ended March 31, 2020	Year ended March 31, 2019
Americas	74,882	71,554
Europe	35,999	32,120
India	8,716	8,277
Others	11,709	11,219
Total	**131,306**	**123,170**

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, 2020 and March 31, 2019.

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 ₹ 94,910 crore out of which 48.31% 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, 2020	**Year ended March 31, 2019**
Balance at the beginning of the year	2,823	2,281
Revenue recognised during the year	11,514	9,578
Invoices raised during the year	(10,999)	(9,093)
Translation exchange difference	148	57
Balance at the end of the year	**3,486**	**2,823**

Changes in Unearned and deferred revenue are as follows:

	(₹ crore)	
	Year ended March 31, 2020	**Year ended March 31, 2019**
Balance at the beginning of the year	2,466	1,711
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(1,934)	(1,648)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	2240	2,418
Translation exchange difference	143	(15)
Balance at the end of the year	**2,915**	**2,466**

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

	(₹ crore)	
	Year ended March 31, 2020	**Year ended March 31, 2019**
Contracted price	133,098	125,101
Reductions towards variable consideration components	(1,792)	(1,931)
Revenue recognised	**131,306**	**123,170**

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

Impact of COVID-19

While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from

- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- customers not in a position to accept alternate delivery modes using Secured Borderless WorkSpaces
- customers postponing their discretionary spend due to change in priorities

The Company has assessed that customers in Retail, Travel, Transportation and Hospitality, Energy and Manufacturing verticals are more prone to immediate impact due to disruption in supply chain and drop in demand while customers in Banking, Financial Services and Insurance would re-prioritise their discretionary spend in immediate future to conserve resources and assess the impact that they would have due to dependence of revenues from the impacted verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meetings its obligations. Such impact could be in the form of provision for onerous contracts or re-setting of revenue recognition in fixed price contracts where revenue is recognised on percentage-completion-basis. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised SLAs in light of current crisis, invoking of force-majeure clause etc., to ensure that revenue recognition in such cases reflect realisable values.

11) Other Income

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

Other income consist of the following:

		(₹ crore)
	Year ended March 31, 2020	**Year ended March 31, 2019**
Interest income	3,197	2,651
Dividend income	3,980	3,571
Net gain on investments carried at fair value through profit or loss	183	416
Net gain on sale of investments other than equity shares carried at fair value through OCI	14	-
Net gain on disposal of property, plant and equipment	50	84
Net foreign exchange gain / (loss)	632	844
Rent income	2	7
Other income	24	54
	8,082	**7,627**
Interest income comprise:		
Interest on bank balances and bank deposits	479	157
Interest on financial assets carried at amortised cost	531	506
Interest on financial assets carried at fair value through OCI	1,878	1,838
Other interest (including interest on tax refunds)	309	150
Dividend income comprise:		
Dividends from subsidiaries	3,980	3,571
Dividend from mutual fund units*	-	-

*Represents value less than ₹ 0.50 crore.

12) Employee benefits

Defined benefit plans

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

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

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

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.
The Company provides benefits such as superannuation, provident fund (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans.

Short-term employee benefits

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

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Employee benefit expenses consist of the following:

		(₹ crore)
	Year ended March 31, 2020	**Year ended March 31, 2019**
Salaries, incentives and allowances	59,140	54,080
Contributions to provident and other funds	4,020	3,665
Staff welfare expenses	1,746	1,632
	64,906	**59,377**

Employee benefit obligations consist of the following:

Employee benefit obligations – Non-current

		(₹ crore)
	As at March 31, 2020	**As at March 31, 2019**
Gratuity liability	-	7
Other employee benefit obligations	91	75
	91	**82**

Employee benefit obligations – Current

		(₹ crore)
	As at March 31, 2020	**As at March 31, 2019**
Compensated absences	2,034	1,756
Other employee benefit obligations	23	20
	2,057	**1,776**

Employee benefit plans consist of the following:

Gratuity and pension

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust.

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

		(₹ crore)
	Year ended March 31, 2020	**Year ended March 31, 2019**
Change in benefit obligations		
Benefit obligations, beginning of the year	2,678	2,307
Plan assumed on insourcing of employees	30	
Service cost	357	289
Interest cost	222	190
Remeasurement of the net defined benefit liability	520	39
Benefits paid	(171)	(147)
Benefit obligations, end of the year	**3,636**	**2,678**

		(₹ crore)
	Year ended March 31, 2020	**Year ended March 31, 2019**
Change in plan assets		
Fair value of plan assets, beginning of the year	2,671	2,432
Plan assumed on insourcing of employees	30	
Interest income	234	193
Employers' contributions	766	171
Benefits paid	(171)	(147)
Remeasurement - return on plan assets excluding amount included in interest income	111	22
Fair value of plan assets, end of the year	**3,641**	**2,671**

		(₹ crore)
	As at March 31, 2020	**As at March 31, 2019**
Funded status		
Deficit of plan assets over obligations	-	(7)
Surplus of plan assets over obligations	5	-
	5	**(7)**

		(₹ crore)
	As at March 31, 2020	**As at March 31, 2019**
Category of assets		
Corporate bonds	1,004	684
Equity instruments	17	20
Government bonds and securities	1,695	1,150
Insurer managed funds	850	759
Bank balances	-	6
Others	75	52
Total	**3,641**	**2,671**

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

		(₹ crore)
	Year ended March 31, 2020	**Year ended March 31, 2019**
Service cost	357	289
Net interest on net defined benefit (asset) / liability	(12)	(3)
Net periodic gratuity cost	**345**	**286**
Actual return on plan assets	**345**	**215**

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

		(₹ crore)
	As at March 31, 2020	**As at March 31, 2019**
Actuarial (gains) and losses arising from changes in demographic assumptions	(5)	(17)
Actuarial (gains) and losses arising from changes in financial assumptions	345	-
Actuarial (gains) and losses arising from changes in experience adjustments	180	56
Remeasurement of the net defined benefit liability	520	**39**
Remeasurement - return on plan assets excluding amount included in interest income	(111)	(22)
Total	**409**	**17**

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

	Year ended March 31, 2020	**Year ended March 31, 2019**
Discount rate	6.50%	7.75%
Rate of increase in compensation levels of covered employees	6.00%	6.00%
Rate of return on plan assets	6.50%	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, 2020. The Company is expected to contribute ₹424 crore to defined benefit plan obligations funds for the year ending March 31, 2021.

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, 2020	**As at March 31, 2019**
Increase of 0.50%	(151)	(100)
Decrease of 0.50%	163	108

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

	(₹ crore)	
	As at March 31, 2020	**As at March 31, 2019**
Increase of 0.50%	163	109
Decrease of 0.50%	(152)	(102)

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, 2020 as follows:

	(₹ crore)
Year ending March 31,	**Defined benefit obligations**
2021	279
2022	294
2023	332
2024	363
2025	411
2026-2030	2,584

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, 2020	**As at March 31, 2019**
Fair value of plan assets	17,072	14,555
Present value of defined benefit obligations	(17,072)	(14,555)
Net excess / (shortfall)	-	-

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

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

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.50%	7.75%
Average remaining tenure of investment portfolio	7.73 years	8.38 years
Guaranteed rate of return	8.50%	8.65%

The Company contributed ₹1,035 crore and ₹856 crore for the years ended March 31, 2020 and 2019, 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 ₹248 crore and ₹232 crore for the years ended March 31, 2020 and 2019, respectively, to the Employees' Superannuation Fund.

Foreign defined contribution plan

The Company contributed ₹549 crore and ₹475 crore for the years ended March 31, 2020 and 2019, respectively, towards foreign defined contribution plans.

13) Cost recognition

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

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licenses, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade 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.

(a) Cost of equipment and software licenses

Cost of equipment and software licenses consist of the following:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Raw materials, sub-assemblies and components consumed	18	40
Equipment and software licences purchased	1,578	1,963
	1,596	**2,003**
Finished goods and work-in-progress		
Opening stock*	-	-
Less: Closing stock*	1	-
	(1)	-

*Represents value less than ₹0.50 crore.

(b) Other expenses

Other expenses consist of the following:

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹crore)
Fees to external consultants	13,916	12,259
Facility expenses	2,175	3,275
Travel expenses	2,569	2,718
Communication expenses	985	837
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	132	188
Other expenses	7,674	7,549
	27,451	**26,826**

Other expenses include ₹3,547 crore and ₹3,897 crore for the years ended March 31, 2020 and 2019, respectively, towards sales, marketing and advertisement expenses.

The Company made a contribution to an electoral trust of Nil and ₹220 crore for the years ended March 31, 2020 and 2019, respectively, which is included in other expenses.

(c) Research and development expenditure

Research and development expenditure including capital expenditure aggregating ₹302 crore and ₹305 crore was incurred in the years ended March 31, 2020 and 2019, respectively.

(d) Corporate Social Responsibility (CSR) expenditure

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2020 and 2019 is ₹600 crore and ₹542 crore, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on CSR. The Company incurred an amount of ₹ 602 crore and ₹ 434 crore during the year ended March 31, 2020 and 2019, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

14) Finance costs

Finance costs consist of the following:

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹crore)
Interest on lease liabilities	416	7
Interest on tax matters	256	162
Other interest costs	71	1
	743	**170**

15) 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.

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.

The income tax expense consists of the following:

		(₹ crore)
	Year ended March 31, 2020	**Year ended March 31, 2019**
Current tax		
Current tax expense for current year	8,440	8,672
Current tax (benefit) / expense pertaining to prior years	572	1,271
	9,012	9,943
Deferred tax		
Deferred tax (benefit) / expense for current year	1,168	697
Deferred tax (benefit) / expense pertaining to prior years	(1,449)	-
	(281)	697
Total income tax expense recognised in current year	**8,731**	**10,640**

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, 2020	Year ended March 31, 2019
Profit before taxes	41,991	40,705
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	14,673	14,224
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(4,856)	(4,735)
Income exempt from tax	(14)	(21)
Undistributed earnings in branches	(15)	299
Tax on income at different rates	(300)	(403)
Tax pertaining to prior years	(877)	1,271
Others (net)	120	5
Total income tax expense	**8,731**	**10,640**

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 1, 2011 profits from units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 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	97	65	-	162
Provision for employee benefits	368	100	-	468
Cash flow hedges	(12)	-	19	7
Receivables, financial assets at amortised cost	284	43	-	327
MAT credit entitlement	1,157	(108)	-	1,049
Branch profit tax	(299)	15	-	(284)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(149)	-	(334)	(483)
Lease liabilities*	235	73	-	308
Others	225	93	-	318
Total deferred tax assets / (liabilities)	**1,905**	**281**	**(315)**	**1,872**

*Opening balance of deferred tax on lease liabilities has been restated by ₹147 crores to give impact of transition to Ind AS 116 (Refer note 7).

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

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

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)
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)
Lease liabilities	88	-	88
Others	224	-	224
Total deferred tax assets / (liabilities)	**2,097**	**339**	**1,758**

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 ₹1,049 crore.

Direct tax contingencies

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

The Company has contingent liability in respect of demands from direct tax authorities in India and other jurisdictions, which are being contested by the Company on appeal amounting ₹1,453 crore and ₹1,501 crore as at March 31, 2020 and March 31, 2019 respectively. In respect of tax contingencies of ₹318 crore and ₹318 crore as at March 31, 2020 and March 31, 2019, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

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

16) Earnings per share

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

	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year (₹ crore)	33,260	30,065
Weighted average number of equity shares	375,23,84,706	378,97,49,350
Basic and diluted earnings per share (₹)	88.64	79.34
Face value per equity share (₹)	1	1

17) Auditors remuneration

	Year ended March 31, 2020	Year ended March 31, 2019
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	1	-*

*Represents value less than ₹ 0.50 crore.

18) Segment information

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

19) Commitments and Contingencies

Capital commitments

The Company has contractually committed (net of advances) ₹1,272 crore and ₹1,258 crore as at March 31, 2020 and March 31, 2019, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

Refer note 15.

- **Indirect tax matters**

The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company has demands amounting to ₹464 crore and ₹325 crore as at March 31, 2020 and March 31, 2019, 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 ₹133 crore and ₹96 crore as at March 31, 2020 and March 31, 2019, respectively, against the Company have not been acknowledged as debts.

In addition to above in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin for alleged infringement of Epic's proprietary information. In April 2016, the Company received an unfavourable jury verdict awarding damages totalling ₹7,091 crore (US $940 million) to Epic. In September 2017, the Company received a Court order reducing the damages from ₹7,091 crore (US $940 million) to ₹3,168 crore (US $ 420 million) to Epic. Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹3,319 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. Epic has also filed a cross appeal challenging the reduction by the trial judge of ₹754 crore (US $100 million) award and ₹1,509 crore (US $200 million) in punitive damages. 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.

- **Bank guarantees and letter of comfort**

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

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

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

20) The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

21) Related party transactions

The Company's principal related parties consist of its holding company, Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business. Refer note 21 of consolidated financial statement for list of subsidiaries of the Company.

Transactions with related parties are as follows:

(₹ crore)

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

*Represents value less than ₹ 0.50 crore.

(₹ 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 expense	1	-	37	15	-	53
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	-	(7)	-	-	(7)
Contribution and advance to 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 6(m)

Material related party transactions are as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue		
Tata Consultancy Services Sverige AB	1,713	1,657
Tata Consultancy Services Canada Inc.	1,934	1,919
Tata Consultancy Services Deutschland GmbH	2,020	1,924
Tata Consultancy Services Netherlands BV	3,364	2,449
Jaguar Land Rover Limited	1,142	651
Jaguar Cars Limited (dormant)	9	671
Purchases of goods and services (including reimbursements)		
Tata America International Corporation	3,416	3,898
Tata Consultancy Services De Mexico S.A.,De C.V.	1,414	1,314
TCS Foundation	552	91
Dividend income		
Tata America International Corporation	1,752	2,747
Tata Consultancy Services Canada Inc.	694	236

Material related party balances are as follows:

	As at March 31, 2020	As at March 31, 2019
		(₹ crore)
Trade Receivable (Gross)		
Tata America International Corporation	98	627
Tata Consultancy Services Sverige AB	650	362
Tata Consultancy Services France SA	900	710
Tata Consultancy Services Netherlands BV	727	233
Tata Consultancy Services Asia Pacific Pte Ltd.	635	245
Jaguar Land Rover Limited	209	362
Creditors		
Tata America International Corporation	1,314	1,413
Tata Consultancy Services De Mexico S.A.,De C.V.	402	284
Unbilled receivables and contract assets		
Diligenta Limited	311	173

Balances receivable from related parties are as follows:

(₹ crore)

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

(₹ 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, unbilled receivables and contract assets	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

Balances payable to related parties are as follows:

(₹ crore)

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

(₹ 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 & Guarantees	-	4,263	14	53	-	4,330

Transactions with key management personnel are as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Short-term benefits	28	33
Dividend paid during the year	2	1
Total	**30**	**34**

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

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

22) The sitting fees and commission paid to non-executive directors is ₹9 crore and ₹12 crore as at March 31, 2020 and 2019, respectively.

23) Subsequent events

Dividends paid during the year ended March 31, 2020 include an amount of ₹18 per equity share towards final dividend for the year ended March 31, 2019 and an amount of ₹67 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2020. 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 declared by the Company are based on the profit available for distribution. On April 16, 2020, the Board of Directors of the Company have proposed a final dividend of ₹6 per share in respect of the year ended March 31, 2020 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 ₹2,251 crore.

As per our report of even date attached

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

For and on behalf of the Board

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

Yezdi Nagporewalla
Partner
Membership No: 049265

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 16, 2020

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, 2019	March 31, 2020	INR	1.000000	2	101	164	61	26	180	42	11	31	-	89%	India
2	MP Online Limited	September 8, 2006	April 1, 2019	March 31, 2020	INR	1.000000	1	98	137	38	15	70	24	7	17	-	89%	India
3	C-Edge Technologies Limited	January 19, 2006	April 1, 2019	March 31, 2020	INR	1.000000	10	236	331	85	-	294	108	27	81	-	51%	India
4	MahaOnline Limited	September 23, 2010	April 1, 2019	March 31, 2020	INR	1.000000	3	76	161	82	38	88	29	7	22	-	74%	India
5	CMC Americas, Inc.	August 9, 2004	April 1, 2019	March 31, 2020	USD	75.435000	12	15	61	34	-	113	44	18	26	-	100%	U.S.A.
6	TCS e-Serve International Limited	December 31, 2008	April 1, 2019	March 31, 2020	INR	1.000000	10	9	512	493	12	1,231	(141)	(15)	(126)	-	100%	India
7	TCS e-Serve America, Inc.	February 10, 2009	January 1, 2019	December 31, 2019	USD	75.435000	2	83	177	92	-	285	38	12	26	-	100%	U.S.A.
8	Diligenta Limited	August 23, 2005	January 1, 2019	December 31, 2019	GBP	93.071718	9	1,082	2,224	1,133	270	3,666	370	77	293	-	100%	U.K.
9	Tata Consultancy Services Canada Inc.	October 1, 2009	April 1, 2019	March 31, 2020	CAD	53.231953	38	593	1,712	1,081	-	5,686	672	180	492	-	100%	Canada
10	Tata America International Corporation	August 9, 2004	April 1, 2019	March 31, 2020	USD	75.435000	2	1,555	3,098	1,541	35	3,735	1,268	347	921	-	100%	U.S.A.
11	Tata Consultancy Services Asia Pacific Pte Ltd.	August 9, 2004	April 1, 2019	March 31, 2020	USD	75.435000	33	643	1,725	1,049	816	2,243	266	32	234	-	100%	Singapore
12	Tata Consultancy Services (China) Co., Ltd.	November 16, 2006	January 1, 2019	December 31, 2019	CNY	10.631985	215	(46)	286	117	-	699	(12)	-	(12)	-	93.2%	China
13	Tata Consultancy Services Japan, Ltd.	July 1, 2014	April 1, 2019	March 31, 2020	JPY	0.696184	301	1,059	2,786	1,426	-	5,340	292	93	199	-	66%	Japan
14	Tata Consultancy Services Malaysia Sdn Bhd	August 9, 2004	April 1, 2019	March 31, 2020	MYR	17.552003	4	83	207	120	-	438	(9)	-	(9)	-	100%	Malaysia
15	PT Tata Consultancy Services Indonesia	October 5, 2006	April 1, 2019	March 31, 2020	IDR	0.004609	-	26	66	40	-	69	17	5	12	-	100%	Indonesia
16	Tata Consultancy Services (Philippines) Inc.	September 19, 2008	April 1, 2019	March 31, 2020	PHP	1.485526	(41)	205	477	313	-	647	15	3	12	-	100%	Philippines
17	Tata Consultancy Services (Thailand) Limited	May 12, 2008	April 1, 2019	March 31, 2020	THB	2.306916	2	10	30	18	-	73	16	3	13	-	100%	Thailand
18	Tata Consultancy Services Belgium	August 9, 2004	April 1, 2019	March 31, 2020	EUR	83.023789	2	331	964	631	-	1,998	144	49	95	-	100%	Belgium
19	Tata Consultancy Services Deutschland GmbH	August 9, 2004	April 1, 2019	March 31, 2020	EUR	83.023789	1	469	2,003	1,533	-	4,844	281	83	198	-	100%	Germany
20	Tata Consultancy Services Sverige AB	August 9, 2004	April 1, 2019	March 31, 2020	SEK	7.477993	-	539	1,495	956	-	3,279	100	22	78	-	100%	Sweden
21	Tata Consultancy Services Netherlands BV	August 9, 2004	April 1, 2019	March 31, 2020	EUR	83.023789	548	2,202	4,176	1,426	1,592	5,340	(373)	79	(452)	-	100%	Netherlands
22	TCS Italia s.r.l.	August 9, 2004	April 1, 2019	March 31, 2020	EUR	83.023789	18	12	266	236	-	440	19	11	8	-	100%	Italy
23	Tata Consultancy Services Luxembourg S.A.	October 28, 2005	April 1, 2019	March 31, 2020	EUR	83.023789	46	75	263	142	-	519	76	22	54	-	100%	Capellen (G.D. de Luxembourg)
24	Tata Consultancy Services Switzerland Ltd.	October 31, 2006	April 1, 2019	March 31, 2020	CHF	78.406611	12	379	1,171	780	-	2,776	217	39	178	-	100%	Switzerland
25	Tata Consultancy Services Osterreich GmbH	March 9, 2012	April 1, 2019	March 31, 2020	EUR	83.023789	-	5	38	33	-	39	-	-	-	-	100%	Austria
26	Tata Consultancy Services Danmark ApS	March 16, 2012	April 1, 2019	March 31, 2020	DKK	11.117743	1	4	25	20	-	35	1	-	1	-	100%	Denmark
27	Tata Consultancy Services De Espana S.A.	August 9, 2004	April 1, 2019	March 31, 2020	EUR	83.023789	-	39	197	158	-	384	12	-	12	-	100%	Spain
28	Tata Consultancy Services (Portugal) Unipessoa	July 4, 2005	April 1, 2019	March 31, 2020	EUR	83.023789	-	-	22	22	-	24	3	-	3	-	100%	Portugal
29	Tata Consultancy Services France SA	June 28, 2013	April 1, 2019	March 31, 2020	EUR	83.023789	4	(408)	1,335	1,739	-	1,936	16	17	(1)	-	100%	France
30	Tata Consultancy Services Saudi Arabia	July 2, 2015	April 1, 2019	March 31, 2020	SAR	20.049702	8	242	299	49	-	390	76	15	61	-	76%	Saudi Arabia
31	Tata Consultancy Services (Africa) (PTY) Ltd.	October 23, 2007	April 1, 2019	March 31, 2020	ZAR	4.193326	6	39	45	-	45	-	28	-	28	-	100%	South Africa
32	Tata Consultancy Services (South Africa) (PTY) L	October 31, 2007	April 1, 2019	March 31, 2020	ZAR	4.193326	8	58	301	235	-	737	34	10	24	-	100%	South Africa
33	TCS FNS Pty Limited	October 17, 2005	April 1, 2019	March 31, 2020	AUD	46.709352	174	(53)	121	-	1	-	70	-	70	-	100%	Australia
34	TCS Financial Solutions Beijing Co., Ltd.	December 29, 2006	January 1, 2019	December 31, 2019	CNY	10.631985	39	(13)	64	38	-	73	9	-	9	-	100%	China
35	TCS Financial Solutions Australia Holdings Pty	October 19, 2005	April 1, 2019	March 31, 2020	AUD	46.709352	-	-	-	-	-	-	70	-	70	-	0%	Australia
36	TCS Financial Solutions Australia Pty Limited	October 19, 2005	April 1, 2019	March 31, 2020	AUD	46.709352	-	100	143	43	34	70	62	16	46	-	100%	Australia
37	TCS Iberoamerica SA	August 9, 2004	April 1, 2019	March 31, 2020	USD	75.435000	742	876	1,632	14	1,631	-	418	25	393	-	100%	Uruguay
38	TCS Solution Center S.A.	August 9, 2004	April 1, 2019	March 31, 2020	UYU	1.724504	62	188	411	161	-	691	136	34	102	-	100%	Uruguay
39	Tata Consultancy Services Argentina S.A.	August 9, 2004	April 1, 2019	March 31, 2020	ARS	1.171760	6	-	40	34	-	43	(8)	-	(8)	-	100%	Argentina
40	Tata Consultancy Services Do Brasil Ltda	August 9, 2004	January 1, 2019	December 31, 2019	BRL	14.522091	255	(103)	434	282	-	641	20	(5)	25	-	100%	Brazil
41	Tata Consultancy Services De Mexico S.A., De C.	August 9, 2004	January 1, 2019	December 31, 2019	MXN	3.138809	1	721	1,171	449	-	1,877	257	94	163	-	100%	Mexico
42	Tata Consultancy Services Chile S.A.	August 9, 2004	January 1, 2019	December 31, 2019	CLP	0.088034	150	202	514	162	59	534	28	12	16	-	100%	Chile
43	TCS Inversiones Chile Limitada	August 9, 2004	January 1, 2019	December 31, 2019	CLP	0.088034	135	150	302	17	283	28	78	1	77	-	100%	Chile
44	TATASOLUTION CENTER S.A.	December 28, 2006	January 1, 2019	December 31, 2019	USD	75.435000	23	36	157	98	-	485	(10)	14	(24)	-	100%	Ecuador
45	TCS Uruguay S.A.	January 1, 2010	April 1, 2019	March 31, 2020	UYU	1.724504	-	91	178	87	-	358	126	12	114	-	100%	Uruguay
46	MGDC S.C.	January 1, 2010	January 1, 2019	December 31, 2019	MXN	3.138809	-	168	354	186	-	985	26	23	3	-	100%	Mexico
47	Technology Outsourcing S.A.C.	October 30, 2015	January 1, 2019	December 31, 2019	PEN	21.955585	12	8	33	13	-	75	8	-	8	-	100%	Peru
48	Tata Consultancy Services Qatar S.S.C.	December 20, 2011	April 1, 2019	March 31, 2020	QAR	20.415426	4	28	66	34	-	76	15	2	13	-	100%	Qatar
49	W12 Studios Limited	October 31, 2018	April 1, 2019	March 31, 2020	GBP	93.071718	-	26	27	1	-	3	3	1	2	-	100%	U.K.
50	TCS Business Services GmbH	March 9, 2020	April 1, 2019	March 31, 2020	EUR	83.023789	-	-	-	-	-	-	-	-	-	-	100%	U.K.
51	TCS Foundation	March 25, 2015	April 1, 2019	March 31, 2020	INR	1.000000	1	994	999	4	53	-	282	-	282	-	100%	India

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

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, 2020.
2. TCS Financial Solutions Australia Holdings Pty Limited liquidated w.e.f. January 29, 2020.
3. TCS Business Services GmbH was acquired w.e.f. March 9, 2020.

For and on behalf of the Board

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 16, 2020