TATA CONSULTANCY SERVICES LIMITED

CONSOLIDATED BALANCE SHEET

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	7	10,057	9,971	8,641
(b) Capital work-in-progress		1,541	1,670	2,762
(c) Intangible assets	8	47	134	220
(d) Goodwill	9	1,597	1,669	1,572
(e) Financial assets				
(i) Investments	10(A)	344	343	253
(ii) Loans	11(A)	9	2,472	1,581
(iii) Other financial assets	12(A)	825	1,325	1,234
(f) Income tax asset (net)		4,789	4,465	4,094
(g) Deferred tax assets (net)	13	2,828	2,908	2,633
(h) Other assets	14(A)	689	926	1,075
Total non-current assets		**22,726**	**25,883**	**24,065**
Current assets				
(a) Inventories	15	21	16	15
(b) Financial assets				
(i) Investments	10(B)	41,636	22,479	1,501
(ii) Trade receivables	16	22,684	24,073	20,440
(iii) Unbilled revenue		5,351	3,992	3,827
(iv) Cash and cash equivalents	17	3,597	6,295	1,862
(v) Other balances with banks	18	552	493	16,696
(vi) Loans	11(B)	2,909	2,743	1,493
(vii) Other financial assets	12(B)	1,474	916	909
(c) Income tax asset (net)		26	32	75
(d) Other assets	14(B)	2,276	2,174	2,083
Total current assets		**80,526**	**63,213**	**48,901**
TOTAL ASSETS		**103,252**	**89,096**	**72,966**
II. EQUITY AND LIABILITIES				
Equity				
(a) Share capital	19	197	197	197
(b) Other equity	20(A)	86,017	70,875	55,856
Equity attributable to shareholders of the Company		**86,214**	**71,072**	**56,053**
Non-controlling interests		366	355	223
Total Equity		**86,580**	**71,427**	**56,276**
Non-current liabilities				
(a) Financial liabilities				
(i) Long-term borrowings	21(A)	71	83	115
(ii) Other financial liabilities	22(A)	454	493	662
(b) Employee benefit obligation	26(A)	245	237	203
(c) Provisions	23(A)	39	40	94
(d) Deferred tax liabilities (net)	13	919	805	540
(e) Other liabilities	24(A)	432	442	404
Total non current liabilities		**2,160**	**2,100**	**2,018**
Current liabilities				
(a) Financial liabilities				
(i) Short-term borrowings	21(B)	200	113	186
(ii) Trade and other payables (includes dues to micro and small enterprises ₹ 11 crores (March 31,2016: ₹18 crores,April 1,2015: ₹12 crores))		6,279	7,541	8,832
(iii) Other financial liabilities	22(B)	1,550	2,364	1,245
(b) Unearned and deferred revenue		1,398	1,359	1,062
(c) Current income tax liabilities(net)		1,412	805	546
(d) Employee benefit obligation	26(B)	1,862	1,635	1,356
(e) Provisions	23(B)	66	115	103
(f) Other liabilities	24(B)	1,745	1,637	1,342
Total current liabilities		**14,512**	**15,569**	**14,672**
TOTAL EQUITY AND LIABILITIES		**103,252**	**89,096**	**72,966**

III. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS 1-34

As per our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

P. R. Ramesh
Partner

Mumbai, April 18, 2017

For and on behalf of the Board

N. Chandrasekaran *Chairman*	**V. Ramakrishnan** *CFO*	**Dr. Ron Sommer** *Director*	**Aarthi Subramanian** *Executive Director*	**O.P. Bhatt** *Director*
Rajesh Gopinathan *CEO and Managing Director*	**Ishaat Hussain** *Director*	**V. Thyagarajan** *Director*	**Prof. Clayton M. Christensen** *Director*	
N.Ganpathy Subramaniam *COO and Executive Director*	**Dr. Vijay Kelkar** *Director*	**Aman Mehta** *Director*	**Suprakash Mukhopadhyay** *Company Secretary*	

TATA CONSULTANCY SERVICES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

		Note	Year ended March 31,2017	Year ended March 31,2016
				(₹ crores)
I.	Revenue from operations		117,966	108,646
II.	Other income (net)	25	4,221	3,084
III.	**TOTAL INCOME**		**122,187**	**111,730**
IV.	**Expenses:**			
	(a) Employee benefit expense	26	61,621	55,348
	(b) Other operating expenses	27	24,034	22,621
	(c) Finance costs	28	32	33
	(d) Depreciation and amortisation expense		1,987	1,888
	TOTAL EXPENSES		**87,674**	**79,890**
V.	**PROFIT BEFORE TAX**		**34,513**	**31,840**
VI.	**Tax expense:**			
	(a) Current tax		8,235	7,508
	(b) Deferred tax		(79)	(6)
VII.	**PROFIT FOR THE YEAR**		**26,357**	**24,338**
VIII.	**OTHER COMPREHENSIVE INCOME**			
(A)	**(i) Items that may be reclassified subsequently to the statement of profit and loss:**			
	(a)Net changes in fair values of investments other than equity shares carried at fair value through OCI		740	82
	(b)Net changes in fair values of intrinsic value of cash flow hedges hedges		41	(73)
	(c)Net changes in fair values of time value of cash flow hedges		3	(21)
	(d)Exchange differences on translation of financial statements of foreign operations		(474)	402
	(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss		(261)	(15)
(B)	**(i) Items that will not be reclassified subsequently to the statement of profit and loss:**			
	(a)Remeasurement of defined employee benefit plans		(208)	(114)
	(b)Net changes in fair values of investments in equity shares carried at fair value through OCI		(20)	1
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		2	7
	TOTAL OTHER COMPREHENSIVE INCOME		**(177)**	**269**
IX.	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		**26,180**	**24,607**
	Profit for the period attributable to:			
	Shareholders of the Company		26,289	24,270
	Non-controlling interests		68	68
			26,357	**24,338**
	Total comprehensive income for the year attributable to:			
	Shareholders of the Company		26,117	24,498
	Non-controlling interests		63	109
			26,180	**24,607**
X.	**Earnings per equity share :- Basic and diluted (₹)**	29	**133.41**	**123.18**
	Weighted average number of equity shares (face value of ₹ 1 each)		197,04,27,941	197,04,27,941

XI. **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS 1-34**

As per our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

P. R. Ramesh
Partner

Mumbai, April 18, 2017

For and on behalf of the Board

N. Chandrasekaran *Chairman*	**V. Ramakrishnan** *CFO*	**Dr. Ron Sommer** *Director*	**Aarthi Subramanian** *Executive Director*	**O.P. Bhatt** *Director*
Rajesh Gopinathan *CEO and Managing Director*	**Ishaat Hussain** *Director*	**V. Thyagarajan** *Director*	**Prof. Clayton M. Christensen** *Director*	
N.Ganpathy Subramaniam *COO and Executive Director*	**Dr. Vijay Kelkar** *Director*	**Aman Mehta** *Director*	**Suprakash Mukhopadhyay** *Company Secretary*	

TATA CONSULTANCY SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(₹ crores)

Balance as at April 1, 2015	Changes in equity share capital during the period	Balance as at March 31, 2016
197	-	197

(₹ crores)

Balance as at April 1, 2016	Changes in equity share capital during the period	Balance as at March 31, 2017
197	-	197

B. OTHER EQUITY

(₹ crores)

	Reserves and surplus							Items of other comprehensive income						
									Cash flow Hedging reserve					
	Capital reserve	Share premium	Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Statutory reserve	Investment revaluation reserve	Intrinsic value	Time value	Foreign currency translation reserve	Equity attributable to shareholders of the Company	Non-controlling interests	Total Equity
Balance as at April 1,2015	**75**	**1,919**	**413**	**8,245**	**-**	**43,904**	**120**	**3**	**131**	**(1)**	**1,047**	**55,856**	**223**	**56,079**
Profit for the year	-	-	-	-	-	24,270	-	-	-	-	-	24,270	68	**24,338**
Other comprehensive income	-	-	-	-	-	(108)	-	56	(63)	(18)	361	228	41	**269**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**24,162**	**-**	**56**	**(63)**	**(18)**	**361**	**24,498**	**109**	**24,607**
Dividend (including tax on dividend)	-	-	-	-	-	(9,479)	-	-	-	-	-	(9,479)	(36)	**(9,515)**
Transfer to reserves(Refer Note 20)	-	-	110	2,304	-	(2,479)	65	-	-	-	-	-	-	-
Realised gain on equity shares carried at fair value through OCI	-	-	-	-	-	5	-	(5)	-	-	-	-	-	-
Remeasurement of obligation to acquire non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	59	**59**
Balance as at March 31, 2016	**75**	**1,919**	**523**	**10,549**	**-**	**56,113**	**185**	**54**	**68**	**(19)**	**1,408**	**70,875**	**355**	**71,230**
Balance as at April 1, 2016	**75**	**1,919**	**523**	**10,549**	**-**	**56,113**	**185**	**54**	**68**	**(19)**	**1,408**	**70,875**	**355**	**71,230**
Profit for the year	-	-	-	-	-	26,289	-	-	-	-	-	26,289	68	**26,357**
Other comprehensive income	-	-	-	-	-	(206)	-	464	37	2	(469)	(172)	(5)	**(177)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**26,083**	**-**	**464**	**37**	**2**	**(469)**	**26,117**	**63**	**26,180**
Dividend (including tax on dividend)	-	-	-	-	-	(10,947)	-	-	-	-	-	(10,947)	(26)	**(10,973)**
Transfer to reserves(Refer Note 20)	-	-	-	-	-	(33)	33	-	-	-	-	-	-	-
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	(20)	-	20	-	-	-	-	-	-
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	376	(376)	-	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve on utilisation	-	-	-	-	(279)	279	-	-	-	-	-	-	-	-
Purchase of non-controlling interests	-	-	-	-	-	(28)	-	-	-	-	-	(28)	(26)	**(54)**
Balance as at March 31, 2017	**75**	**1,919**	**523**	**10,549**	**97**	**71,071**	**218**	**538**	**105**	**(17)**	**939**	**86,017**	**366**	**86,383**

C. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS 1- 34

As per our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

P. R. Ramesh
Partner
Mumbai, April 18, 2017

For and on behalf of the Board

N. Chandrasekaran	**V. Ramakrishnan**	**Dr. Ron Sommer**	**Suprakash Mukhopadhyay**	**Dr. Vijay Kelkar**	**Ishaat Hussain**	**V. Thyagarajan**
Chairman	*CFO*	*Director*	*Company Secretary*	*Director*	*Director*	*Director*
Rajesh Gopinathan	**N.Ganpathy Subramaniam**	**O.P. Bhatt**	**Prof. Clayton M. Christensen**	**Aman Mehta**	**Aarthi Subramanian**	
CEO and Managing Director	*COO and Executive Director*	*Director*	*Director*	*Director*	*Executive Director*	

TATA CONSULTANCY SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

		Note	Year ended March 31, 2017	Year ended March 31, 2016
				(₹ crores)
I	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit for the year		26,357	24,338
	Adjustments to reconcile profit or loss to net cash provided by operating activities:			
	Depreciation and amortisation		1,987	1,888
	Net gain on disposal of property, plant and equipment		(3)	(5)
	Income tax expense		8,156	7,503
	Net gain on investments		(642)	(465)
	Bad debts, provision for trade receivables and advances, net		125	135
	Interest expense		32	33
	Interest Income		(2,263)	(1,745)
	Dividend Income		(1)	(11)
	Unrealised loss/(gain)		52	(40)
	Operating profit before working capital changes		**33,800**	**31,631**
	Net change in:			
	Trade receivables		680	(2,936)
	Unbilled revenue		(1,539)	(51)
	Loans and other financial assets		580	(798)
	Other assets and inventories		(142)	(12)
	Trade and other payables		(841)	(2,039)
	Unearned and deferred revenue		80	262
	Other financial liabilities		107	146
	Other liabilities		444	484
	Cash generated from operations		**33,169**	**26,687**
	Taxes paid		(7,946)	(7,578)
	Net cash provided by operating activities		**25,223**	**19,109**
II	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Bank deposits placed		(2)	(64)
	Inter-corporate deposits placed		(2,299)	(2,614)
	Purchase of investments *		(121,423)	(116,847)
	Payment for purchase of property, plant and equipment		(1,989)	(1,987)
	Purchase of intangible assets		(1)	(3)
	Ear marked deposits placed with banks		-	(462)
	Proceeds from bank deposits		40	16,363
	Proceeds from inter-corporate deposits		3,918	1,154
	Proceeds from disposal /redemption of investments *		102,798	97,154
	Proceeds from disposal of property, plant and equipment		36	22
	Proceeds from disposal of intangible assets		1	
	Proceeds from ear marked deposits with banks		400	307
	Dividend received		1	11
	Interest received		1,788	1,816
	Net cash used in investing activities		**(16,732)**	**(5,150)**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended March 31, 2017	Year ended March 31, 2016
		(₹ crores)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings (net)		87	(73)
Dividend paid to non-controlling interest of subsidiaires(including dividend tax)		(26)	(36)
Dividend paid (including dividend tax)		(10,947)	(9,479)
Purchase of non-controlling interests		(54)	-
Repayment of finance lease obligations		(66)	(60)
Issue of shares to non-controlling interests		-	2
Interest paid		(20)	(20)
Net cash used in financing activities		**(11,026)**	**(9,666)**
Net increase in cash and cash equivalents		(2,535)	4,293
Cash and cash equivalents at the beginning of the period		6,295	1,862
Exchange difference on translation of foreign currency cash and cash equivalents		(163)	140
Cash and cash equivalents at the end of the period	17	**3,597**	**6,295**

*Purchase of investments include ₹ 890 crores (March 31, 2016: ₹ 473 crores) and proceeds from disposal /redemption of investments include ₹ 726 crores (March 31, 2016: ₹ 197 crores) of TCS Foundation, formed for conducting corporate social responsibility activities of the Group.

IV **NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS 1-34**

As per our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board

N. Chandrasekaran *Chairman*
V. Ramakrishnan *CFO*
Dr. Ron Sommer *Director*
Aarthi Subramanian *Executive Director*
O.P. Bhatt *Director*

Rajesh Gopinathan *CEO and Managing Director*
Ishaat Hussain *Director*
V. Thyagarajan *Director*
Prof. Clayton M. Christensen *Director*

P. R. Ramesh
Partner

N.Ganpathy Subramaniam *COO and Executive Director*
Dr. Vijay Kelkar *Director*
Aman Mehta *Director*
Suprakash Mukhopadhyay *Company Secretary*

Mumbai, April 18, 2017

1) **Corporate information**

Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") provides consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of delivery centers around the globe. The Group's full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Consulting, Digital Enterprise, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON - Small and Medium Businesses, IT Infrastructure Services and Platform Solutions.

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 of March 31, 2017, Tata Sons Limited, the holding company owned 73.26% of the Company's equity share capital.

The consolidated financial statements for the year ended 31st March,2017 were approved by the Board of Directors and authorised for issue on April 18, 2017.

2) **Significant accounting policies**

a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values 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.

CMC Limited has been amalgamated with the Company with effect from April 1, 2015 in terms of the scheme of amalgamation 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. The amalgamated companies being under common control effect of merger is given retrospectively in accordance with Ind AS 103 Business combination.

c) Basis of consolidation

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

d) Business Combinations

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

e) Use of estimates and judgements

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

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

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Impairment of Goodwill

The Group estimate the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted- average cost of capital based on the historical market returns of comparable companies.

Useful lives of property, plant and equipment

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

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2(j).

Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

f) Revenue recognition

The Group earns revenue primarily from providing information technology and consultancy services, including services under contracts for software development, implementation and other related services, licensing and sale of its own software, business process services and maintenance of equipment.

The Group recognises revenue as follows:

Revenue from bundled contracts that involve supplying computer equipment, licensing software and providing services is allocated separately for each element based on their fair values.

Revenue from contracts priced on a time and material basis is recognised as services are rendered and as related costs are incurred.

Revenue from software development contracts, which are generally time bound fixed price contracts, is recognised over the life of the contract using the percentage-of-completion method, with contract costs determining the degree of completion. Losses on such contracts are recognised when probable. Revenue in excess of billings is recognised as unbilled revenue in the balance sheet ; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the balance sheet.

Revenue from Business Process Services contracts priced on the basis of time and material or unit of delivery is recognised as services are rendered or the related obligation is performed.

Revenue from the sale of internally developed and manufactured systems and third party products which do not require significant modification is recognised upon delivery, which is when the absolute right to use passes to the customer and the Group does not have any material remaining service obligations.

Revenue from maintenance contracts is recognised on a pro-rata basis over the period of the contract.

Revenue is recognised only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured.

Revenue is reported net of discounts, indirect and service taxes.

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

g) Leases

Finance lease

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

Operating lease

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

h) Cost recognition

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

The costs of the Group are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances 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.

i) Foreign currency

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities 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 translated.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit or loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

j) 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 tax are recognised in profit or 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, its overseas branches and its subsidiaries in India and overseas. The current tax payable by the Company and its subsidiaries in India is Indian income tax payable for their 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.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

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 units 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 goodwill or 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 asset 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 income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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, which is likely to give future economic benefits in the form of availability of set off against future 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 Group recognises interest levied and penalties related to income tax assessments in finance costs.

k) Financial instruments

Financial assets and liabilities are recognised when the Group 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.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. 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 in order to collect contractual cash flows and the contractual terms of the financial asset 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 Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is 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 and loss are immediately recognised in statement of profit and loss.

Financial liabilities

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

Equity instruments

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

Hedge accounting

The Group designates certain foreign exchange forward, option and future contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

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

The hedge instruments are designated and documented as hedges at the inception of the contract. 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. The ineffective portion of designated hedges are recognised immediately in the statement of profit and loss.

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

The Group 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 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. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in statement of changes in equity is transferred to the statement of profit and loss.

l) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment loss, if any.

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

The estimated useful lives are as mentioned below:

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

Assets held under finance leases are depreciated over the shorter of the lease term and their useful lives.
Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

m) Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of acquired contract rights, rights under licensing agreement and software licences and customer-related intangibles. Following table summarises the nature of intangibles and the estimated useful lives. Intangible assets are amortised on a straight line basis over its useful lives as given below:

Nature of intangible	Useful lives
Acquired contract rights	3-12 years
Rights under licensing agreement and software licences	Lower of licence period and 2-5 years
Customer-related intangibles	3 years

n) Impairment

i. Financial assets (other than at fair value)

The Group 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 Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Non-financial assets

a) Tangible and intangible assets

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

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.

b) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

o) Employee benefits

(i) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

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

(ii) Defined contribution plans

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

(iii) Compensated absences

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 obligation at the balance sheet date.

p) Inventories

Raw materials, sub-assemblies and components are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the lower of cost and net realisable value. Stores and spare parts are carried at lower of cost and net realisable value. Finished goods produced or purchased by the Group are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

q) Earnings per share

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

3) **Explanation of transition to Ind AS**

The transition as of April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Group in accordance with Ind AS 101, First–time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Group has applied the following exemptions:

Business combinations

The Company has elected to apply Ind AS 103 Business Combinations retrospectively to past business combinations from April 1, 2013.

Reconciliations between Previous GAAP and Ind AS

(i) Equity reconciliation

(₹ crores)

	Note	As at March 31, 2016	As at April 1, 2015
Equity under Previous GAAP attributable to:			
Tata Consultancy Services Limited		65,361	50,635
Non-controlling interests		502	1,128
Equity under Previous GAAP		**65,863**	**51,763**
Amalgamation of subsidiary	a	-	(296)
Adjusted equity under Previous GAAP		**65,863**	**51,467**
Dividend (including dividend tax)	b	6,406	5,649
Effect of consolidation of employee welfare trusts	c	184	168
Depreciation	d	(483)	(537)
Obligation to acquire non-controlling interests	e	(189)	(240)
Reorganisation of entities under common control	f	(167)	(167)
Fair valuation of investments	g	86	10
Tax adjustments including deferred tax on undistributed earnings	h	(243)	(25)
Impact of retrospective application of Ind AS 103 to past business combinations	i	(29)	(47)
Others		(1)	(2)
Equity under Ind AS		**71,427**	**56,276**
Attributable to:			
Tata Consultancy Services Limited		71,072	56,053
Non-controlling interests		355	223

(ii) Total comprehensive income reconciliation

	Note	(₹ crores) Year ended March 31, 2016
Net income under Previous GAAP attributable to :		
Tata Consultancy Services Limited		24,292
Non-controlling interests		83
Net income under Previous GAAP		**24,375**
Employee benefits	j	114
Effect of consolidation of Employee welfare trusts	c	15
Depreciation	d	57
Obligation to acquire non-controlling interests	e	(15)
Fair valuation of investments	g	(2)
Tax adjustments including deferred tax on	h	(202)
Others		(4)
Profit for the period under Ind AS		**24,338**
Other comprehensive income		269
Total comprehensive income under Ind AS		**24,607**
Attributable to:		
Tata Consultancy Services Limited		24,498
Non-controlling interests		109

Notes to reconciliations between Previous GAAP and Ind AS

(a) **Amalgamation of subsidiary**

In the previous year, CMC ltd., a subsidiary merged with the company effective with the terms of the Scheme of amalgamation sanctioned by High Court of judicature at Bombay vide its order dated August 14, 2015 and High Court of judicature at Hyderabad through its order dated July 20, 2015. The Company issued 11,699,962 equity shares of ₹ 1 each to the non-controlling shareholders of CMC Limited pursuant to the Scheme of amalgamation without payment being received in cash. The difference between the nominal value of the shares issued and the carrying value of the non-controlling interest has been recorded in retained earnings.

This has resulted in decrease in equity by ₹ 296 crores as on April 1, 2015.

(b) **Dividend (including dividend tax)**

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as a liability in the period to which it relates.

This has resulted in an increase in equity by ₹ 6,406 crores and ₹ 5,649 crores as on March 31, 2016 and April 1, 2015 respectively.

(c) **Effect of Consolidation of Employee welfare trusts**

Ind AS 110 – Consolidated Financial Statements defines control and establishes control as the main basis for consolidating the entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, in light of which the employee welfare trusts of the Group are consolidated. Under Previous GAAP, these were not required to be consolidated.

This has resulted in an increase in equity by ₹ 184 crores and ₹ 168 crores as at March 31, 2016 and April 1, 2015 respectively and increase in net profit by ₹ 15 crores for year ended March 31, 2016 .

(d) **Depreciation**

In April 2014, the Group revised its method of depreciation from written down value to straight-line basis. This change in method was retrospectively adjusted in accordance with previous GAAP. Under Ind AS, the Group has elected to apply

Ind AS 16 - Property, plant and equipment from the date of acquisition of property, plant and equipment and accordingly as a change in estimate, the change in method has been prospectively applied.
This has resulted in a decrease in equity by ₹ 483 crores and ₹ 537 crores as on March 31, 2016 and April 1, 2015 respectively and increase in net profit by ₹ 57 crores for year ended March 31, 2016 .
.

(e) **Obligation to acquire non-controlling interests**

The Group under Ind AS-103 –Business Combinations has recognised a liability for the present value of the redemption amount towards call option and the non-controlling interest's put option which collectively contains an obligation for the Group to acquire non-controlling interest's equity ownership. Under Previous GAAP, these were not required to be recognised.

This has resulted in a decrease in equity by ₹ 189 crores and ₹ 240 crores as on March 31, 2016 and April 1, 2015 respectively and decrease in net profit by ₹ 15 crores for year ended March 31, 2016 .

(f) **Reorganisation of entities under common control**

The Group under Ind AS 103-Business Combinations has accounted the transfer of the shareholding of Tata Sons Limited in Tata America International Corporation to Tata Consultancy Services Limited on the historical cost basis and the consideration paid in excess of carrying cost of the entity, as on the date of transfer, has been recorded as reduction to equity. Under Previous GAAP, the transfer has been accounted for on fair value basis.

This has resulted in a decrease in equity by ₹ 167 crores as on March 31, 2016 and April 1, 2015.

(g) **Fair valuation of investments**

Under previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary, under Ind AS Financial assets other than amortized cost are subsequently measured at fair value.

The Group holds investment in government securities with the objective of both collecting contractual cash flows which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Group has also made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading. This has resulted in increase in investment revaluation reserve by ₹ 82 crores and ₹ 4 crores as on March 31, 2016 and April 1, 2015 respectively, and increase in other comprehensive income by ₹ 51 crores for year ended March 31, 2016.

Investment in mutual funds have been classified as fair value through profit and loss and fair value changes are recognized in profit or loss. This has resulted in increase in retained earnings of ₹ 4 crores and ₹ 6 crores as on March 31, 2016 and April 1, 2015 respectively, and decrease in net profit by ₹ 2 crores for year ended March 31, 2016 .

(h) **Tax adjustments including deferred tax on undistributed earnings**

Under previous GAAP, in the consolidated financial statements, the tax expense of the parents and group companies were added line- by-line and no adjustments were made/additional deferred taxes recognized or reversed on consolidation. Under Ind AS, deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and tax base. Consequently deferred tax on account of undistributed profits of the subsidiaries has been recognized in statement of profit or loss. Further tax adjustments are also made for deferred tax impact on account of differences between Previous GAAP and Ind AS.

These adjustments have resulted in decrease in equity under Ind AS by ₹ 243 crores and ₹ 25 crores as on March 31, 2016 and April 1, 2015 respectively and decrease in net profit by ₹ 202 crores for year ended March 31, 2016 .

(i) **Impact of retrospective application of Ind AS 103 to past business combinations**

Under Previous GAAP, the business combination was accounted at the book value, under Ind AS the acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

This has resulted in decrease in equity by ₹ 29 crores and ₹ 47 crores as on March 31, 2016 and April 1, 2015 respectively.

(j) **Employee benefits**

Under previous GAAP, actuarial gains and losses were recognized in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognized in other comprehensive income in the respective periods.

This has resulted in increase in net profit by ₹ 114 crores for year ended March 31, 2016.However the same does not result in difference in equity or total comprehensive income.

(k) **Explanation of material adjustments to cash flow statement for the year ended March 31,2016**
There were no material reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS

7) **Property, plant and equipment**

Property, plant and equipment consist of the following:

(₹ crores)

Description	Freehold land	Buildings	Leasehold Improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as of April 1, 2016	**348**	**6,119**	**1,840**	**322**	**5,591**	**32**	**2,004**	**1,620**	**1,432**	**19,308**
Additions	-	598	183	73	835	2	136	113	123	2,063
Disposals	-	(7)	(32)	-	(283)	(2)	(20)	(6)	(20)	(370)
Translation exchange difference	-	(2)	(18)	-	(61)	-	(8)	(5)	(16)	(110)
Cost as of March 31, 2017	**348**	**6,708**	**1,973**	**395**	**6,082**	**32**	**2,112**	**1,722**	**1,519**	**20,891**
Accumulated depreciation as of April 1, 2016	**-**	**(1,139)**	**(977)**	**(40)**	**(4,155)**	**(21)**	**(1,284)**	**(732)**	**(989)**	**(9,337)**
Depreciation for the year	-	(334)	(194)	(35)	(788)	(5)	(257)	(147)	(146)	(1,906)
Disposals	-	5	18	-	269	2	18	5	20	337
Translation exchange difference	-	1	10	-	44	-	5	3	9	72
Accumulated depreciation as of March 31, 2017	**-**	**(1,467)**	**(1,143)**	**(75)**	**(4,630)**	**(24)**	**(1,518)**	**(871)**	**(1,106)**	**(10,834)**
Net carrying amount as of March 31, 2017	**348**	**5,241**	**830**	**320**	**1,452**	**8**	**594**	**851**	**413**	**10,057**

(₹ crores)

Description	Freehold land	Buildings	Leasehold Improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as of April 1, 2015	**347**	**4,831**	**1,675**	**129**	**5,074**	**28**	**1,762**	**1,295**	**1,257**	**16,398**
Additions	-	1,285	186	193	655	8	245	335	194	3,101
Disposals	-	(1)	(38)	-	(168)	(4)	(17)	(12)	(20)	(260)
Translation exchange difference	1	4	17	-	30	-	14	2	1	69
Cost as of March 31, 2016	**348**	**6,119**	**1,840**	**322**	**5,591**	**32**	**2,004**	**1,620**	**1,432**	**19,308**
Accumulated depreciation as of April 1, 2015	**-**	**(855)**	**(802)**	**(18)**	**(3,542)**	**(21)**	**(1,042)**	**(603)**	**(874)**	**(7,757)**
Depreciation for the year	-	(283)	(200)	(22)	(767)	(4)	(252)	(134)	(129)	(1,791)
Disposals	-	-	29	-	168	4	17	7	18	243
Translation exchange difference	-	(1)	(4)	-	(14)	-	(7)	(2)	(4)	(32)
Accumulated depreciation as of March 31, 2016	**-**	**(1,139)**	**(977)**	**(40)**	**(4,155)**	**(21)**	**(1,284)**	**(732)**	**(989)**	**(9,337)**
Net carrying amount as of March 31, 2016	**348**	**4,980**	**863**	**282**	**1,436**	**11**	**720**	**888**	**443**	**9,971**
Net carrying amount as of April 1, 2015	**347**	**3,976**	**873**	**111**	**1,532**	**7**	**720**	**692**	**383**	**8,641**

(i) Buildings include ₹ 3 crores (March 31, 2016: ₹ 3 crores, April 1,2015: ₹ 3 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.

(ii) Legal formalities relating to conveyance of buildings having net book value ₹ NIL crores (March 31, 2016: ₹ -* crores, April 1,2015: ₹ 5 crores) are pending completion.
*Amounts less than ₹ 1 crore.

Net carrying amount of property, plant and equipment under finance lease arrangements were as follows:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Leasehold improvements	40	46	56
Computer equipment	16	45	79
Office equipments	2	1	3
Furniture and fixtures	2	-	-
Electrical Installations	-	2	3
Leased assets	**60**	**94**	**141**

8) **Intangible assets**

Intangible assets consist of the following:

(₹ crores)

Description	**Acquired contract rights**	**Rights under licensing agreement and software licence**	**Customer-related intangibles**	**Total**
Cost as of April 1, 2016	**379**	**144**	**86**	**609**
Additions	-	1	-	1
Disposals/Derecognised	-	(63)	-	(63)
Translation exchange difference	(40)	(2)	(5)	(47)
Cost as of March 31, 2017	**339**	**80**	**81**	**500**
Accumulated amortisation as of April 1, 2016	**(281)**	**(116)**	**(78)**	**(475)**
Amortisation for the year	(65)	(8)	(8)	(81)
Disposals/Derecognised	-	62	-	62
Translation exchange difference	35	1	5	41
Accumulated amortisation as of March 31, 2017	**(311)**	**(61)**	**(81)**	**(453)**
Net carrying amount as of March 31, 2017	**28**	**19**	**-**	**47**

(₹ crores)

Description	**Acquired contract rights**	**Rights under licensing agreement and software licences**	**Customer-related intangibles**	**Total**
Cost as of April 1, 2015	**364**	**141**	**80**	**585**
Additions	-	3	-	3
Translation exchange difference	15	-	6	21
Cost as of March 31, 2016	**379**	**144**	**86**	**609**
Accumulated amortisation as at April 1, 2015	**(208)**	**(106)**	**(51)**	**(365)**
Amortisation for the year	(66)	(10)	(21)	(97)
Translation exchange difference	(7)	-	(6)	(13)
Accumulated amortisation as of March 31, 2016	**(281)**	**(116)**	**(78)**	**(475)**
Net carrying amount as of March 31, 2016	**98**	**28**	**8**	**134**
Net carrying amount as of April 1, 2015	**156**	**35**	**29**	**220**

The estimated amortisation for each of the five fiscal years subsequent to March 31, 2017 is as follows:

Year ending March 31,	Amortisation expense (₹ crores)
2018	36
2019	7
2020	4
2021	-
2022	-
Thereafter	-
	47

9) **Goodwill**

Goodwill consists of the following:

GOODWILL

	As at March 31, 2017	As at March 31, 2016
		(₹ crores)
Balance at the beginning of the year	1669	1572
Foreign currency exchange loss	(72)	97
Balance at the end of the year	**1597**	**1669**

Goodwill of ₹ 531 crores (March 31, 2016 : ₹ 577 crores) has been allocated to the TCS business in France. The estimated value-in-use of this CGU is based on the future cash flows using a 1.5% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 8.01%. An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of ₹ 1,066 crores (March 31, 2016:₹ 1,092 crores) (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

10) **Investments**

Investments consist of the following:

(A) Investments-Non current

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	**Investments carried at fair value through profit and loss**			
	Mutual and other funds (unquoted)	55	58	7
(b)	**Investments carried at fair value through OCI**			
	Fully paid equity shares (quoted)	-	-	4
	Fully paid equity shares (unquoted)	141	169	162
(c)	**Investments carried at amortised cost**			
	Government Securities (quoted)	132	101	55
	Corporate debentures and bonds (unquoted)	16	15	25
		344	**343**	**253**

The market value of quoted investments is equal to the carrying value

(B) Investments -Current

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	**Investment carried at fair value through profit and Loss**			
	Mutual and other funds (unquoted)	19,637	1,709	1,501
(b)	**Investment carried at fair value through OCI**			
	Government securities(quoted)	21,999	20,254	-
(c)	**Investment carried at amortised cost**			
	Certificate of deposits (unquoted)	-	491	-
	Corporate debentures and bonds(unquoted)	-	25	-
		41,636	**22,479**	**1,501**

The market value of quoted investments is equal to the carrying value

11) **Loans(Unsecured)**

Loans (unsecured) consist of the following:

(A) Long term loans

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
	Considered good			
(a)	Loans and advances to employees	6	7	9
(b)	Inter-corporate deposits	3	2,465	1,572
		9	**2,472**	**1,581**

(B) Short term loans

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	Considered good			
	Loans and advances to employees	344	1,021	336
	Inter-corporate deposits	2,565	1,721	1,154
	Others	-	1	3
(b)	Considered doubtful			
	Loans and advances to employees	57	56	51
	Less:Allowance on loans and advances to employees	(57)	(56)	(51)
		2,909	**2,743**	**1,493**

12) **Other financial assets**

Other financial assets consist of the following:

(A) Non-current financial assets

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	Interest receivable	-	73	24
(b)	Long-term bank deposits	-	415	500
(c)	Security deposits	816	733	668
(d)	Earmarked balances with banks	1	86	-
(e)	Others	8	18	42
		825	**1,325**	**1,234**

(B) Current financial assets

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Interest receivable	715	206	342
(b) Fair value of foreign exchange forward and currency option contracts	572	537	365
(c) Security deposits	147	143	127
(d) Others	40	30	75
	1,474	**916**	**909**

13) **Income taxes**

The income tax expense consists of the following:

(₹ crores)

	Year ended March,2017	Year ended March,2016
Current tax :		
Current tax expense for current year	8,234	7,489
Current tax expense/(benefit) pertaining to prior years	1	19
	8,235	7,508
Deferred tax benefit	(79)	(6)
Total income tax expense recognised in current year	**8 156**	**7 502**

Tata Consultancy Services Limited 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 profits 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 fulfilment of certain conditions. From April 1, 2011 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, 2017 are as follows:

(₹ crores)

	Opening balance	Recognised in profit or loss	Recognised in /reclassified from other comprehensive income	Acquisitions / disposals	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to:						
Property, plant and equipment and intangible assets	(62)	(39)	-	-	(5)	(106)
Provision for Employee Benefits	327	63	2	-	(3)	389
Cash flow hedges	(7)	-	(5)	-	-	(12)
Receivables, financial assets at amortised cost	190	30	-	-	-	220
MAT credit entitlement	1,987	97	-	-	-	2,084
Unrealised gain on securities carried at fair value through P&L / other comprehensive income	(28)	-	(256)	-	(1)	(285)
Undistributed earnings of subsidiaries	(342)	(167)	-	-	-	(509)
Branch profit tax	(346)	60	-	-	-	(286)
Operating lease liabilities	94	(3)	-	-	(1)	90
Others	290	38	-	-	(4)	324
Net deferred tax assets / (liabilities)	**2,103**	**79**	**(259)**	**-**	**(14)**	**1,909**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

(₹ crores)

	Opening balance	Recognised in profit or loss	Recognised in /reclassified from other comprehensive income	Acquisitions / disposals	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to:						
Property, plant and equipment and intangible assets	(100)	39	-	-	(1)	(62)
Provision for Employee Benefits	294	21	8	-	4	327
Cash flow hedges	(20)	-	13	-	-	(7)
Receivables, financial assets at amortised cost	158	31	-	-	1	190
MAT credit entitlement	1,905	82	-	-	-	1,987
Unrealised gain on securities carried at fair value through P&L /other comprehensive income	(3)	2	(27)	-	-	(28)
Undistributed earnings of subsidiaries	(160)	(182)	-	-	-	(342)
Branch profit tax	(256)	(90)	-	-	-	(346)
Operating lease liabilities	83	10	-	-	1	94
Others	192	93	(2)	-	7	290
Net deferred tax assets / (liabilities)	**2,093**	**6**	**(8)**	**-**	**12**	**2,103**

Gross deferred tax assets and liabilities are as follows:

(₹ crores)

As at March 31, 2017	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment and Intangible assets	(8)	98	(106)
Provision for Employee Benefits	389		389
Cash flow hedges	(12)	-	(12)
Receivables, financial assets at amortised cost	218	(2)	220
MAT credit entitlement	2,084	-	2,084
Unrealised gain on securities carried at fair value through P&L / other comprehensive income	(285)	-	(285)
Undistributed earnings of subsidiaries	-	509	(509)
Branch profit tax	-	286	(286)
Operating lease liabilities	90	-	90
Others	352	28	324
Net deferred tax assets / (liabilities)	**2,828**	**919**	**1,909**

(₹ crores)

As at March 31, 2016	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment and Intangible assets	40	102	(62)
Provision for Employee Benefits	327	-	327
Cash flow hedges	(7)	-	(7)
Receivables, financial assets at amortised cost	190		190
MAT credit entitlement	1,987	-	1,987
Unrealised gain on securities carried at fair value through P&L / other comprehensive income	(28)	-	(28)
Undistributed earnings of subsidiaries	-	342	(342)
Branch profit tax	-	346	(346)
Operating lease liabilities	94	-	94
Others	305	15	290
Net deferred tax assets / (liabilities)	**2,908**	**805**	**2,103**

(₹ crores)

As at April 1, 2015	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment and Intangible assets	29	129	(100)
Provision for Employee Benefits	294		294
Cash flow hedges	(20)	-	(20)
Receivables, financial assets at amortised cost	158	-	158
MAT credit entitlement	1,905	-	1,905
Unrealised gain on securities carried at fair value through P&L / other comprehensive income	(3)	-	(3)
Undistributed earnings of subsidiaries	-	160	(160)
Branch profit tax	-	256	(256)
Operating lease liabilities	83		83
Others	187	(5)	192
Net deferred tax assets / (liabilities)	**2,633**	**540**	**2,093**

Under the Indian Income Tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate. In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlement. These unexpired business losses will expire based on the year of origination as follows:

	(₹ crores)
March 31,	**Unabsorbed business losses**
2018	15
2019	21
2020	32
2021	73
2022	51
2023	41
Thereafter	257
	490

Additionally, the Company has not recognised deferred tax assets in respect of tax credit entitlement amounting to ₹ 1,108 crores.

Under the Indian Income Tax Act, 1961, Tata Consultancy Services Limited 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, Tata Consultancy Services Limited has recognised a deferred tax asset of ₹ 2,084 crores as of March 31, 2017.

Deferred tax liability on undistributed earnings of ₹ 6,285 crores of certain subsidiaries has not been recognised, as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

Tata Consultancy Services Limited and its subsidiaries in India have ongoing disputes with Indian Income Tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company and its subsidiaries in India as deductions, and computation of, or eligibility of, certain tax incentives or allowances. As of March 31, 2017, the Company and its subsidiaries in India have contingent liability in respect of demands from direct tax authorities in India, which are being contested by the Company and its subsidiaries in India on appeal amounting ₹ 2,690 crores. In respect of tax contingencies of ₹ 318 crores, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

Tata Consultancy Services Limited and its subsidiaries in India believe that its position on these claims made by tax authorities will more likely than not sustain upon examination by the relevant authorities.

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 2013 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2012 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2014 and earlier.

14) **Other assets**

Other assets consist of the following:

(A) Other non -current assets

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Considered good			
Capital advances	143	149	169
Advances to related parties	6	-	-
Prepaid expenses	281	448	534
Prepaid rent	228	235	241
Others	31	94	131
	689	**926**	**1,075**
Advances to related parties, considered good, comprise:			
Voltas Limited	6	-	-

(B) Other current assets

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	**Considered good**			
	Prepaid expenses	1,508	1,376	1,512
	Advance to suppliers	188	240	110
	Advance to related parties	1	1	-
	Indirect tax recoverable	488	340	309
	Other advances	28	93	56
	Others	63	124	96
(b)	**Considered doubtful**			
	Advance to suppliers	3	3	5
	Indirect tax recoverable	2	2	2
	Other advances	3	4	3
	Less: Allowance on doubtful assets	(8)	(9)	(10)
		2,276	**2,174**	**2,083**
	Advance to related parties,considered good comprise:			
	Taj Air Limited	-	1	-
	The Titan Company Limited	1	-	-

15) **Inventories**

Inventories consist of the following:

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	Raw materials, sub-assemblies and components	19	9	10
(b)	Finished goods and work-in-progress	1	-	2
(c)	Goods-in-transit (raw materials)	1	-	2
(d)	Stores and spares	-	7	1
		21	**16**	**15**

Inventories are carried at lower of cost and net realizable value.

16) **Trade receivables (Unsecured)**

Trade receivables (unsecured) consist of the following:

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	Considered good	22,684	24,073	20,440
(b)	Considered doubtful	643	574	448
		23,327	24,647	20,888
	Less: Provision for doubtful receivables	(643)	(574)	(448)
		22,684	**24,073**	**20,440**

17) **Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
			(₹ crores)
(a) Balances with banks			
In current accounts	3,077	2,159	1,443
In deposit accounts	466	2,881	353
(b) Cheques on hand	6	25	51
(c) Cash on hand	1	1	1
(d) Remittances in transit	47	1,229	14
	3,597	**6,295**	**1,862**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	**SBNs**	**ODNs**	**Total**
Closing cash on hand as on 08-11-2016	700,000	312,694	1,012,694
(+) Permitted receipts -	-	359,136	359,136
(-) Permitted payments -	-	368,707	368,707
(-) Amounts Deposited in Banks	700,000	166,506	866,506
Closing cash on hand as on 30-12-2016	-	136,617	136,617

18) **Other bank balances**

Other bank balances consist of the following:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
			(₹ crores)
(a) Earmarked balances with banks	122	440	313
(b) Short-term bank deposits	430	53	16,383
	552	**493**	**16,696**

Restricted cash in current and non-current financial assets mainly includes margin money deposit for derivative contracts and unclaimed dividend.

19) Share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares and redeemable preference shares having a par value of ₹ 1 each as follows:

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015 (₹ crores)
	Authorised			
(a)	460,05,00,000 equity shares of ₹ 1 each (March 31, 2016 : 460,05,00,000 equity shares of ₹ 1 each) (April 1, 2015 : 420,05,00,000 equity shares of ₹ 1 each)	460	460	420
(b)	105,02,50,000 preference shares of ₹ 1 each (March 31, 2016 : 105,02,50,000 preference shares of ₹ 1 each) (April 1, 2015 : 105,02,50,000 preference shares of ₹ 1 each)	105	105	105
		565	**565**	**525**
	Issued, Subscribed and Fully paid-up			
(a)	197,04,27,941 equity shares of ₹ 1 each (March 31, 2016 : 197,04,27,941 equity shares of ₹ 1 each) (April 1, 2015 : 195,87,27,979 equity shares of ₹ 1 each)	197	197	196
(b)	Potential equity shares to be issued to non-controlling shareholders of CMC Limited	-	-	1
		197	**197**	**197**

The Authorised equity share capital was increased to 460,05,00,000 equity shares of ₹ 1 each pursuant to the amalgamation of its subsidiaries, WTI Advanced Technology Limited vide the order dated March 27, 2015 of the High Court of Judicature of Bombay and CMC Limited, vide the order dated August 14, 2015 of the High Court of Judicature at Bombay and vide the order dated July 20, 2015 of the High Court of Judicature at Hyderabad.

The Board of Directors of the Company, at its meeting held on February 20, 2017 has approved a proposal to buy-back up to 5,61,40,351 Equity Shares (Five crore sixty one lakh forty thousand three hundred and fifty one only) of the Company for an aggregate amount not exceeding ₹ 16,000 crore, being 2.85% of the total paid up equity share capital, at ₹ 2,850 per Equity Share. The shareholders of the Company have approved the scheme of buy-back of shares through postal ballot on April 17,2017.

a) Reconciliation of number of shares

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount (₹ crores)	Number of shares	Amount (₹ crores)
Equity shares				
Opening balance	197,04,27,941	197	195,87,27,979	196
Issued during the year	-	-	1,16,99,962	1
Closing balance	197,04,27,941	197	197,04,27,941	197

b) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held 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 and ,its subsidiaries and associates

			(₹ crores)
	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**
Equity shares			
Holding company			
144,34,51,698 equity shares (March 31, 2016 : 144,34,51,698 equity shares; April 01, 2015 : 144,34,51,698 equity shares) are held by Tata Sons	144	144	144
Subsidiaries and Associates of Holding company			
3700 equity shares (March 31, 2016 : 3,63,700 equity shares; April 01, 2015 : 10,29,700 equity shares) are held by Tata Industries Limited	-	-	-
8,57,301 equity shares (March 31, 2016 : 9,55,273 equity shares; April 01, 2015 : Nil equity shares) are held by Tata AIA Life Insurance Company Limited	-	-	-
5,50,000 equity shares (March 31, 2016 : 5,90,452 equity shares; April 01,2015 : 5,90,452 equity shares) are held by Tata Investment Corporation Limited	-	-	-
Nil equity shares (March 31, 2016 : Nil equity shares; April 01, 2015 : 200 equity shares) are held by Tata Capital Limited *	-	-	-
Nil equity shares (March 31, 2016 : 83,232 equity shares; April 01, 2015: 83,232 equity shares) are held by Tata International Limited	-	-	-
24,400 equity shares (March 31, 2016 : 24,400 equity shares; April 01,2015: 24,400 equity shares) are held by Tata Steel Limited *	-	-	-
452 equity shares (March 31, 2016 : 452 equity shares; April 01,2015 : 452 equity shares) are held by The Tata Power Company Limited *	-	-	-
Total	144	144	144

* Equity shares having value less than 1 crore

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

	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**
Equity shares			
Tata Sons Limited, the Holding company	144,34,51,698	144,34,51,698	144,34,51,698
	73.26%	73.26%	73.69%

e) Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2017) including equity shares issued pursuant to contract without payment being received in cash

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

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

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.

20) **A) Other equity**

Other equity consist of the following:

		(₹ crores)
	As at March 31, 2017	**As at March 31, 2016**
(a) Capital reserve (on consolidation)	75	75
(b) Securities premium reserve	1,919	1,919
(c) Capital redemption reserve		
(i) Opening balance	523	413
(ii) Transfer from retained earnings*	-	110
	523	523
(d) General reserve		
(i) Opening balance	10,549	8,245
(ii) Transfer from retained earnings	-	2,304
	10,549	10,549
(e) Special Economic Zone re-investment reserve		
(i) Opening balance	-	-
(ii) Transfer from retained earnings	376	-
(iii) Transfer to retained earnings on utilisation	(279)	-
	97	-
(f) Retained earnings		
(i) Opening balance	56,113	43,904
(ii) Profit for the period	26,289	24,270
(iii) Remeasurement of defined employee benefit plans	(206)	(108)
(iv) Purchase of non-controlling interests **	(28)	-
(v) Realised (loss)/gain on equity shares carried at fair value	(20)	5
(vi)Transfer from Special Economic Zone re-investment reserve on utilisation	279	-
	82,427	68,071
(vii) Less : Appropriations		
(a) Dividend on equity shares	9,162	7,993
(b) Tax on dividend	1,785	1,486
(c) Transfer to capital redemption reserve*	-	110
(d) Transfer to general reserve	-	2,304
(e) Transfer to Special Economic Zone re-investment reserve	376	-
(f) Transfer to statutory reserve	33	65
	71,071	56,113
(g) Statutory reserve		
(i) Opening balance	185	120
(ii) Transfer from retained earnings	33	65
	218	185
(h) Investment revaluation reserve(Refer Note 20 B))		
(i) Opening balance	54	3
(ii) Realised loss/(gain) on equity shares carried at fair value	20	(5)
(iii) Addition during the period (net)	464	56
	538	54
(i) Cash flow hedging reserve (Refer Note 31 b))		
(i) Opening balance	49	130
(ii) Addition/deduction during the period (net)	39	(81)
	88	49
(j) Foreign currency translation reserve		
(i) Opening balance	1,408	1,047
(ii) (Deduction)/addition during the period (net)	(469)	361
	939	1,408
	86,017	**70,875**

* On June 25, 2015, Diligenta Limited, a wholly owned subsidiary redeemed 1,10,00,000 redeemable preference shares of GBP 1 each. Accordingly an amount of ₹ 110 crores has been transferred to Capital redemption reserve during the year.

** Purchase of non-controlling interest in Tata Consultancy Services (South Africa) (Propriety) Limited and Tata Consultancy Services (China) Co., Ltd .

B) Other components of equity

Other components of equity consist of the following:

a) Investment revaluation reserve

(₹ crores)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	54	3
Net gain / (loss) arising on revaluation of financial assets carried at fair value	(20)	1
Deferred tax relating to net gain / (loss) arising on revaluation of financial assets carried at fair value	-	(1)
Net cumulative loss/(gain) reclassified to retained earnings on sale of financial assets carried at fair value	20	(5)
Deferred tax relating to net cumulative gain reclassified to profit or loss on sale of financial assets carried at fair value	-	2
Net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	740	138
Deferred tax relating to net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(256)	(48)
Transfer of net realised gain to profit or loss on sale of investments other than equities carried at fair value through other comprehensive income	-	(56)
Deferred tax relating to transfer of net realised gain/(loss) to profit or loss on sale of investments other than equities carried at fair value through other comprehensive income	-	20
Balance at the end of the year	**538**	**54**

21) **Borrowings**

Borrowings consist of the following:

(A) Long term borrowings

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	Secured loans			
	Long-term maturities of obligations under finance lease	71	83	114
(b)	Unsecured loans			
	Borrowings from entity other than banks	-	-	1
		71	**83**	**115**

Obligations under finance lease are secured against property, plant and equipment obtained under finance lease arrangements.

(B) Short term borrowings

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	Secured loans			
	Overdraft from banks	-	112	-
(b)	Unsecured loans			
	Overdraft from bank	200	1	186
		200	**113**	**186**

Secured overdrafts from banks are secured against trade receivables.

22) **Other financial liabilities**

Other financial liabilities consist of the following:

(A) Other non current financial liabilities

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	Capital creditors	17	62	68
(b)	Others	437	431	594
		454	**493**	**662**

Other payables include advance taxes paid of ₹ 227 crores (March 31, 2016: ₹ 230 crores) (April 01, 2015: ₹ 333 crores) by the seller of TCS e-serve Limited which, on refund by the tax authorities, is payable to the seller.

(B) Other current financial liabilities

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
				(₹ crores)
(a)	Current maturities of obligations under finance lease	18	49	57
(b)	Unclaimed dividends	25	21	20
(c)	Fair value of foreign exchange forward and currency option contracts	20	152	20
(d)	Capital creditors	287	331	337
(e)	Liabilities for cost related to customer contracts	1,001	882	728
(f)	Liabilities for purchase of government securities	-	805	-
(g)	Others	199	124	83
		1,550	**2,364**	**1,245**

Obligations under finance lease are secured against property, plant and equipment obtained under finance lease arrangements.

23) **Provisions**

Provisions consist of the following:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
			(₹ crores)
(A) Non-current			
Provision for foreseeable loss on a long-term contract	39	40	94
	39	**40**	**94**
(B) Current			
Provision for foreseeable loss on a long-term contract	66	115	103
	66	**115**	**103**

24) **Other liabilities**

Other liabilities consist of the following:

(A) Other non current liabilities

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Operating lease liabilities	387	379	345
(b) Others	45	63	59
	432	**442**	**404**

(B) Other current liabilities

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Advance received from customers	330	164	131
(b) Indirect tax payable and other statutory liabilities	1,301	1,381	1,146
(c) Operating lease liabilities	74	80	57
(d) Others	40	12	8
	1,745	**1,637**	**1,342**

25) **Other income (net)**

Other income (net) consist of the following:

		Year ended March 31,2017	Year ended March 31,2016
			(₹ crores)
(a)	Interest income	2,263	1,745
(b)	Dividend income	1	11
(c)	Net gain of investments carried at fair value through profit and loss	633	409
(d)	Net gain on sale of investments carried at amortised cost	9	-
(e)	Net gain on sale of investments other than equity shares carried at fair value through OCI	-	56
(f)	Net gain on disposal of property, plant and equipment	3	5
(g)	Net foreign exchange gains	1,240	742
(h)	Rent income	17	25
(i)	Miscellaneous income	55	91
		4,221	**3,084**

	Year ended March 31,2017	Year ended March 31,2016
Interest income comprise :		
Interest on bank deposits	116	1,459
Interest income on financial assets carried at amortised cost	412	248
Interest income on financial assets carried at fair value through OCI	1,598	32
Others	137	6
Net foreign exchange gains include:		
Net Gain/(Loss) on foreign exchange forward and currency option contracts transferred from hedging reserve (Refer note 31)	508	5
Dividend income comprise:		
From investments (mutual funds)	1	11

26) **Employee costs**

Employee costs consist of the following:

		Year ended March 31,2017	Year ended March 31,2016
			(₹ crores)
(a)	Salaries, incentives and allowances	55,537	49,902
(b)	Contributions to provident and other funds	4,189	3,939
(c)	Staff welfare expenses	1,895	1,507
		61,621	**55,348**

A) Non current employee benefit obligation

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
			(₹ crores)
Gratuity liability	4	3	22
Foreign defined benefit plans	159	169	140
Other employee benefit obligations	82	65	41
	245	237	203

B) Current employee benefit obligation

			(₹ crores)
	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**
Compensated absences	1834	1614	1340
Other employee benefit obligations	28	21	16
	1862	1635	1356

Defined benefit plan

Gratuity and pension

In accordance with Indian law, Tata Consultancy Services Limited and its subsidiaries in India provide to the eligible employees defined benefit plans such as gratuity and pension plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

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

(₹ crores)

	Year ended March 31, 2017					**Year ended March 31, 2016**				
	Domestic plans Funded	**Domestic plans Unfunded**	**Foreign plans Funded**	**Foreign plans Unfunded**	**Total**	**Domestic plans Funded**	**Domestic plans Unfunded**	**Foreign plans Funded**	**Foreign plans Unfunded**	**Total**
Change in benefit obligations:										
Benefit obligations, beginning of the year	1,633	3	744	67	2,447	1,295	2	686	53	2,036
Exchange (gain) / loss on translation	-	-	(49)	(5)	(54)	-	-	53	3	56
Plan participants' contribution	-	-	8	-	8	-	-	6	-	6
Service cost	241	1	12	21	275	202	-	24	12	238
Interest cost	138	-	10	3	151	105	-	14	2	121
Remeasurement of the net defined benefit liability	200	-	58	(3)	255	149	1	(16)	-	134
Past service cost / (credit)	-	-	(9)	-	(9)	13	-	-	(2)	11
Benefits paid	(128)	-	(17)	(2)	(147)	(131)	-	(23)	(1)	(155)
Adjustment on plan settlement	-	-	(220)	-	(220)	-	-	-	-	-
Benefit obligations, end of the year	**2,084**	**4**	**537**	**81**	**2,706**	**1,633**	**3**	**744**	**67**	**2,447**

(₹ crores)

	Year ended March 31, 2017					Year ended March 31, 2016				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Change in plan assets:										
Fair value of plan assets, beginning of the	1,747	-	731	-	2,478	1,453	-	669	-	2,122
Exchange (loss) /gain on translation	-	-	(42)	-	(42)	-	-	53	-	53
Interest income	145	-	8	-	153	116	-	17	-	133
Employers' contributions	393	-	15	-	408	282	-	28	-	310
Plan participants' contribution	-	-	8	-	8	-	-	6	-	6
Benefits paid	(128)	-	(17)	-	(145)	(131)	-	(23)	-	(154)
Remeasurement - return on plan assets excluding amount included in interest income	-	-	47	-	47	27	-	(19)	-	8
Adjustment on plan settlement*	-	-	(289)	-	(289)	-	-	-	-	-
Fair value of plan assets, end of the year	**2,157**	**-**	**461**	**-**	**2,618**	**1,747**	**-**	**731**	**-**	**2,478**

* includes of ₹ 69 in respect of fair value of plan assets not recognised in the Balance sheet in the previous period due to asset ceiling

(₹ crores)

	As at March 31, 2017					As at March 31, 2016					As at April 1, 2015				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Funded status:															
Deficit of plan assets over obligations	-	(4)	(78)	(81)	(163)	-	(3)	(102)	(67)	(172)	(20)	(2)	(87)	(53)	(162)
Surplus of plan assets over obligations	73	-	2	-	75	114	-	89	-	203	178	-	70	-	248
Unrecognised asset due to asset ceiling	-	-	-	-	-	-	-	(66)	-	(66)	-	-	(70)	-	(70)
	73	**(4)**	**(76)**	**(81)**	**(88)**	**114**	**(3)**	**(79)**	**(67)**	**(35)**	**158**	**(2)**	**(87)**	**(53)**	**16**

(₹ crores)

	As at March 31, 2017					As at March 31, 2016					As at April 1, 2015				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Category of assets:															
Corporate bonds	731	-	145	-	876	312	-	99	-	411	175	-	121	-	296
Equity shares	95	-	34	-	129	43	-	51	-	94	-	-	134	-	134
Government Securities	621	-	-	-	621	500	-	-	-	500	266	-	99	-	365
Index linked gilt	-	-	-	-	-	-	-	113	-	113	-	-	108	-	108
Insurer managed funds	692	-	26	-	718	736	-	198	-	934	748	-	172	-	920
Bank balances	3	-	11	-	14	98	-	270	-	368	217	-	6	-	223
Others	15	-	245	-	260	58	-	-	-	58	47	-	29	-	76
Total	**2,157**	**-**	**461**	**-**	**2,618**	**1,747**	**-**	**731**	**-**	**2,478**	**1,453**	**-**	**669**	**-**	**2,122**

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

(₹ crores)

	Year ended March 31, 2017					Year ended March 31, 2016				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Service cost	241	1	12	21	275	202	-	24	12	238
Net interest on net defined benefit liability / (asset)	(7)	-	2	3	(2)	(11)	-	(3)	2	(12)
Past service (credit) / cost	-	-	(9)	-	(9)	13	-	-	(2)	11
Net periodic gratuity / pension cost	**234**	**1**	**5**	**24**	**264**	**204**	**-**	**21**	**12**	**237**
Actual return on plan assets	**145**	**-**	**55**	**-**	**200**	**143**	**-**	**(2)**	**-**	**141**

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

(₹ crores)

	Year ended March 31, 2017				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	(2)	-	1	(1)	(2)
Actuarial (gains) and losses arising from changes in financial assumptions	71	-	51	(3)	119
Actuarial (gains) and losses arising from changes in experience adjustments	131	-	6	1	138
Remeasurement of the net defined benefit liability	200	-	58	(3)	255
Remeasurement - return on plan assets excluding amount included in interest income	-	-	(47)	-	(47)
Asset ceiling recognised in OCI	-	-	-	-	-
Total	**200**	**-**	**11**	**(3)**	**208**

(₹ crores)

	Year ended March 31, 2016				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	13	-	(11)	(1)	1
Actuarial (gains) and losses arising from changes in financial assumptions	60	1	(1)	-	60
Actuarial (gains) and losses arising from changes in experience adjustments	76	-	(4)	1	73
Remeasurement of the net defined benefit liability	149	1	(16)	-	134
Remeasurement - return on plan assets excluding amount included in interest income	(27)	-	19	-	(8)
Asset ceiling recognised in OCI	-	-	(12)	-	(12)
Total	**122**	**1**	**(9)**	**-**	**114**

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

	Year ended March 31, 2017		Year ended March 31, 2016		Year ended April 1, 2015	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	6.75%-7.25%	0.60%-7.75%	7.50%-7.75%	0.40%-7.13%	8.00%	0.87%-6.75%
Rate of increase in compensation levels of covered employees	6.00%-8.00%	1.25%-4.64%	6.00%-10.00%	1.25%-4.64%	6.00%-7.00%	1.00%-4.64%
Rate of return on plan assets	6.75%-7.25%	0.60%-7.75%	7.50%-7.75%	0.40%-7.13%	8.00%	0.87%-6.75%
Weighted average duration of defined benefit obligations	4-10 years	14.92-28.60 years	4-10 years	11-29 years	9 years	12-31 years

The expected benefits are based on the same assumptions as are used to measure Group’s defined benefit plan obligations as of March 31, 2017. The Group is expected to contribute ₹ 201 crores to defined benefit plan obligations funds for the year ended March 31, 2018 comprising domestic component of ₹ 190 crores and foreign component of ₹ 11 crores.

Remeasurement gain of defined employee benefit plans in other comprehensive income for the year ended March 31, 2017 and March 31, 2016 are ₹ 208 crores and ₹ 114 crores.

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 decrease by ₹ 128 crores (increase by ₹ 142 crores) as of March 31, 2017.

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by ₹ 85 crores (decrease by ₹ 81 crores) as of March 31, 2017.

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, 2017 as follows:

	(₹ crores)
Year ending March 31,	**Defined benefit obligations**
2018	220
2019	208
2020	214
2021	215
2022	210
Thereafter	986

Defined contribution plans

Superannuation

In addition to gratuity benefits, all eligible employees are entitled to benefits under Superannuation, a defined contribution plan. The Group makes monthly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligation beyond its monthly contribution.

The Group contributed ₹ 265 crores and ₹ 249 crores to the Employees’ Superannuation Fund for the year ended March 31,2017 and March 31,2016 respectively.

Provident fund

In accordance with Indian law, all eligible employees of Tata Consultancy Services Limited and its subsidiaries are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. Tata Consultancy Services Limited and its subsidiaries in India contribute as specified under the law to the Provident Fund where set up as a trust and to the respective Regional Provident Fund Commissioner. Tata Consultancy Services Limited and its subsidiaries in India which contributes to the Provident Fund where set up as a trust are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contributions and shortfall, if any, as an expense in the year incurred. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

The Group contributed ₹ 804 crores and ₹ 680 crores to the provident fund for the year ended March 31,2017 and March 31,2016, respectively.

Foreign Defined Contribution Plan

The Group contributed ₹ 826 crores and ₹ 817 crores for the year ended March 31, 2017 and March 31 ,2016, respectively, towards foreign defined contribution plan.

27) **Other operating expenses**

Other operating expense consist of the following:

		Year ended March 31,2017	Year ended March 31,2016
			(₹ crores)
(a)	Fees to external consultants	8,854	8,412
(b)	Facility running expenses	3,685	3,406
(c)	Cost of equipment and software licences	2,808	2,571
(d)	Travel expenses	2,786	2,664
(e)	Communication expenses	1,067	1,107
(f)	Bad debts and advances written off,provision for trade receivables and advances(net)	125	135
(g)	Other expenses	4,709	4,326
		24,034	**22,621**

Research and development expenditure aggregating ₹ 282 crores and ₹ 237 crores in the year ended March 31,2017 and March 31,2016, including capital expenditure , was incurred during the year.

28) **Finance costs (at effective interest rate method)**

Finance costs consist of the following:

	Year ended March 31,2017	Year ended March 31,2016
		(₹ crores)
Interest expenses	32	33
	32	**33**

29) **Earning per share (EPS)**

	Year ended March 31,2017	Year ended March 31,2016
		(₹ crores)
Profit for the period (₹ crores)	26,289	24,270
Amount available for equity shareholders (₹ crores)	26,289	24,270
Weighted average number equity shares	197,04,27,941	197,04,27,941
Earning per share basic and diluted (₹)	133.41	123.18
Face value per equity share (₹)	1	1

30) **Leases**

The Group has taken on lease property and equipment under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were ₹ 1818 crores and ₹ 1,697 crores for the year ended March 31, 2017 and March 31, 2016, respectively.

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

Operating Lease

(₹ crores)

Operating Lease	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Within one year of balance sheet date	833	733	764
Due in a period between one year and five years	2302	2169	2243
Due after five years	1215	1233	1403
Total minimum lease commitments	**4350**	**4135**	**4410**

(₹ crores)

	As at March 31,2017		**As at March 31,2016**		**As at April 1,2015**	
Finance lease	**Minimum lease commitments**	**Present value of minimum lease commitments**	**Minimum lease commitments**	**Present value of minimum lease commitments**	**Minimum lease commitments**	**Present value of minimum lease commitments**
Within one year of balance sheet date	25	18	59	49	70	57
Due in a period between one year and five years	73	52	80	57	110	81
Due after five years	21	19	33	26	44	33
Total minimum lease commitments	**119**	**89**	**172**	**132**	**224**	**171**
Less: Interest	(30)		(40)		(53)	
Present value of minimum lease commitments	**89**		**132**		**171**	

Receivables under sub leases

(₹ crores)

Sub lease	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Within one year of balance sheet date	12	19	18
Due in a period between one year and five years	1	16	36
Due after five years	-	-	-
Total	**13**	**35**	**54**

Income from sub leases of ₹ 17 crores and ₹ 25 crores have been recognised in the statement of profit or loss in the year ended March 31, 2017 and March 31, 2016 respectively.

31) **Financial instruments**

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

Derivative financial instruments and hedging activity

The Group's revenue is denominated in foreign currency predominantly US Dollar, Sterling Pound and Euro. In addition to these currencies, the Group also does business in Australian Dollar, Singapore Dollar, Saudi Arabian Riyal, Danish Kroner and Brazilian Real. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Group to currency fluctuations.

The Group monitors and manages the financial risks relating to its operations by analysing its foreign exchange exposures by the level and extent of currency risks.

The Company and its subsidiaries use various derivative financial instruments governed by policies approved by the board of directors such as foreign exchange forward, option and future contracts to manage and mitigate its exposure to foreign exchange rates. The counterparty is generally a bank. The Company and its subsidiaries can enter into contracts for a period between one day and eight years.

The Company and its subsidiaries report quarterly to its risk management committee, an independent body that monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

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

	March 31,2017			March 31,2016			April 1,2015		
Foreign currency	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)
U.S. Dollar	6	150	9	9	225	41	-	-	-
Sterling Pound	45	318	60	8	160	52	18	297	67
Euro	27	198	40	24	285	20	9	171	88
Australian Dollar	6	60	11	21	228	(12)	6	97	31

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

	March 31,2017			March 31,2016			April 1,2015		
Foreign currency	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)
Sterling Pound	5	125	5	-	-	-	-	-	-
Euro	3	91	15	-	-	-	-	-	-

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

	Year ended March 31, 2017		Year ended March 31, 2016	(₹ crores)
	Intrinsic Value	Time Value	Intrinsic Value	Time Value
Balance at the beginning of the year	68	(19)	131	(1)
Changes in the fair value of effective portion of cash flow hedges	784	(232)	250	(339)
Deferred tax on fair value of effective portion of cash flow hedges	(108)	30	(32)	44
(Gains)/losses transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	(743)	235	(323)	318
Deferred tax on (gains)/losses transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	104	(31)	42	(41)
Balance at the end of the year	**105**	**(17)**	**68**	**(19)**

Net gain on derivative instruments of ₹ 88 crores recognised in Hedging Reserve as of March 31, 2017, is expected to be transferred to the statement of profit and loss by March 31, 2018. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2017.

In addition to the above cash flow hedges, the Group has outstanding foreign exchange forwards, option and futures contracts with notional amount aggregating ₹ 19159 crores (March 31, 2016: ₹ 22,144 crores, April 1, 2015: ₹ 19,949 crores) whose fair value showed a gain of ₹ 412 crores as at March 31, 2017 (March 31, 2016: gain of ₹ 284 crores, April 1, 2015: ₹ 159 crores). Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange gain of ₹ 1,522 crores (March 31, 2016 :Exchange gain of ₹ 181 crores) on foreign exchange forwards, option and futures contracts for the year ended March 31, 2017, have been recognised in the statement of profit and loss.

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

			(₹ crores)
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
10% Appreciation of the underlying foreign currencies	(218)	(238)	(48)
10% Depreciation of the underlying foreign currencies	793	623	599

32) **Segment reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Group has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance, 2) Manufacturing, 3) Retail and Consumer Business, 4) Communication, Media and Technology and 5) Others such as Energy, Resources and Utilities, Life Science and Healthcare, s-Governance and Products.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.
Summarised segment information for the years ended March 31, 2017 and March 31, 2016 is as follows:

Year ended March 31, 2017 (₹ crores)

Particulars	Business segments					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	47,505	12,486	20,459	19,521	17,995	**117,966**
Segment result	13,098	3,574	5,740	5,552	4,271	**32,235**
Total Unallocable expenses						1,943
Operating income						**30,292**
Other income (net)						4,221
Profit before taxes						34,513
Tax expense						8,156
Profit for the year						**26,357**
Depreciation and amortisation	74	-	-	-	2	**76**
Depreciation and amortisation (unallocable)						**1,911**
Significant non-cash items (allocable)	19	6	10	22	68	**125**

As at March 31, 2017 (₹ crores)

Particulars	Business segments					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Segment assets	10,341	3,223	5,232	5,104	6,267	**30,167**
Unallocable assets						73,085
Total assets						**103,252**
Segment liabilities	1,706	123	382	433	698	**3,342**
Unallocable liabilities						13,330
Total liabilities						**16,672**

Year ended March 31, 2016 (₹ crores)

Particulars	Business segments					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	44,163	10,909	19,204	18,040	16,330	**108,646**
Segment result	12,851	2,924	5,330	5,190	4,294	**30,589**
Total Unallocable expenses						1,833
Operating income						**28,756**
Other income (net)						3,084
Profit before taxes						31,840
Tax expense						7,502
Profit for the year						**24,338**
Depreciation and amortisation(allocable)	86	-	-	-	2	**88**
Depreciation and amortisation(unallocable)	-	-	-	-	-	**1,800**
Significant non-cash items (allocable)	30	9	27	9	60	**135**

As at March 31, 2016						(₹ crores)
Particulars	**Business segments**					
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Consumer Business**	**Communication, Media and Technology**	**Others**	**Total**
Segment assets	11,525	2,825	4,917	5,076	6,233	**30,576**
Unallocable assets						58,520
Total assets						**89,096**
Segment liabilities	1,844	149	276	437	702	**3,408**
Unallocable liabilities						14,261
Total liabilities						**17,669**

As at April 1, 2015						(₹ crores)
Particulars	**Business segments**					
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Consumer Business**	**Communication, Media and Technology**	**Others**	**Total**
Segment assets	9,599	2,441	4,261	4,331	6,551	**27,183**
Unallocable assets						45,783
Total assets						**72,966**
Segment liabilities	2,593	341	731	828	1,352	**5,845**
Unallocable liabilities						10,845
Total liabilities						**16,690**

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

Information regarding geographical revenue is as follows:

		(₹ crores)
Geography	**Year ended March,2017**	**Year ended March,2016**
Americas (1)	66,091	60,011
Europe (2)	30,038	29,092
India	7,415	6,729
Others	14,422	12,814
Total	117,966	108,646

Geographical non-current assets (property, plant and equipment, goodwill, intangible assets, advance income tax and other non-current assets) are allocated based on the location of the assets.

Information regarding geographical non-current assets is as follows:

			(₹ crores)
Geography	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Americas (3)	1,246	1,170	1,254
Europe (4)	1,521	1,585	1,629
India	15,355	15,335	14,597
Others	598	745	884
Total	18,720	18,835	18,364

i. (1) and (3) are substantially related to operations in the United States of America.
ii. (2) includes revenue from operations in the United Kingdom of ₹ 16,404 crores and ₹ 17,171 crores for the years ended March 31, 2017 and 2016 respectively.
iii. 4) includes non-current assets from operations in the United Kingdom of ₹ 568 crores , ₹ 643 crores ₹ 726 crores as of March 31, 2017 ,March 2016 and April 1,2015, respectively.

Information about major customers:
No single customer represents 10% or more of the Group's total revenue for the year ended March 2017 and March 2016 .

33) Commitments and contingent liabilities

Capital and other commitments

The Group was contractually committed for purchase of property, plant and equipment as of March 31, 2017 for ₹ 1,503 crores .

Contingencies

Direct tax matters
Refer note 13

Indirect tax matters

Tata Consultancy Services Limited and its subsidiaries in India have ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. As of March 31, 2017, Tata Consultancy Services Limited and its subsidiaries in India have demands on appeal amounting to ₹ 253 crores from various indirect tax authorities in Indian jurisdiction, which are being contested by the Company and its subsidiaries in India. In respect of indirect tax contingencies of ₹ 9 crores, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

Other claims

The Group has examined the social security and tax aspects of contracts with legal entities which provide services to an overseas subsidiary and, based on legal opinion, concludes that the subsidiary is in compliance with the related statutory requirements.

As of March 31, 2016, claims aggregating ₹ 6,308 crores against the Group (individually insignificant) have not been acknowledged as debts.

In October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin for alleged infringement of Epic's intellectual property. In April 2016, the Company received an unfavorable jury verdict awarding damages totaling ₹ 6,101 crores (US $941 million) to Epic which the trial judge has indicated his intent to reduce. On the basis of legal opinion and legal precedence, the Company expects to defend itself against the claim and believes that the claim will not sustain.

The Company has given letter of comfort to various banks for credit facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Asia Pacific Pte Ltd. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiaries and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiaries.

The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in those jurisdictions. The Group 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.

34) Subsequent event

Dividends paid during the year ended March 31, 2017 include an amount of ₹ 27 per equity share towards final dividend for the year ended March 31, 2016 and an amount of ₹19.50 per equity share towards interim dividend for the year ending March 31, 2017. Dividends paid during the year ended March 31, 2016 include an amount of ₹ 24 per equity share towards final dividend for the year ended March 31, 2015 and an amount of ₹ 16.50 per equity share towards interim dividend for the year ending March 31, 2016 .

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2017, income (net of dividend tax) available for distribution were ₹ 62,383 crores. On April 18, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 27.50 per share in respect of the year ending March 31, 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 6,522 crores inclusive of dividend distribution tax of ₹ 1,103 crores.