INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Tata Consultancy Services Limited
Mumbai, India

We have audited the accompanying consolidated financial statements of Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively "TCS Limited" or "the Group"), which comprise the consolidated statements of financial position as at March 31, 2017 and 2016, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of three years in the period ended March 31, 2017, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tata Consultancy Services Limited and its subsidiaries as at March 31, 2017 and 2016, and the results of their operations and their cash flows for each of three years in the period ended March 31, 2017, in accordance with the International Financial Reporting Standards as issued by International Accounting Standards Board.

/s/ Deloitte Haskins & Sells LLP
CHARTERED ACCOUNTANTS

Mumbai, India

Date: June 16, 2017

Tata Consultancy Services Limited
Consolidated Statements of Financial Position
As at March 31, 2017 and 2016

	Note	As at March 31, 2017	As at March 31, 2016
		(In millions of USD)	
ASSETS:			
Current assets:			
Cash and cash equivalents	4	555	950
Bank deposits		66	8
Trade receivables	5	3,498	3,634
Investments	6(a)	6,421	3,393
Unbilled revenue		825	603
Other current financial assets	7(a)	695	619
Current income tax assets		4	5
Other current assets	8(a)	354	331
Total current assets		**12,418**	**9,543**
Non-current assets:			
Bank deposits		-	63
Investments	6(b)	53	52
Other non-current financial assets	7(b)	129	510
Non-current income tax assets		739	674
Deferred income tax assets (net)	15	433	435
Property, plant and equipment	9	1,811	1,780
Intangible assets	10	7	20
Goodwill	11	574	575
Other non-current assets	8(b)	84	117
Total non-current assets		**3,830**	**4,226**
TOTAL ASSETS		**16,248**	**13,769**
LIABILITIES AND EQUITY:			
Liabilities:			
Current liabilities:			
Trade and other payables	12	968	1,138
Borrowings		34	25
Other current financial liabilities	13(a)	236	349
Unearned and deferred revenue		216	205
Employee benefit obligations	18(a)	287	247
Other provisions		10	17
Current income tax liabilities		218	122
Other current liabilities	14(a)	269	247
Total current liabilities		**2,238**	**2,350**
Non-current liabilities:			
Borrowings		11	12
Other non-current financial liabilities	13(b)	70	74
Employee benefit obligations	18(b)	38	36
Other provisions		6	6
Deferred income tax liabilities (net)	15	142	122
Other non-current liabilities	14(b)	67	67
Total non-current liabilities		**334**	**317**
TOTAL LIABILITIES		**2,572**	**2,667**
Equity:			
Share capital	16	44	44
Share premium		911	911
Retained earnings		14,738	12,500
Accumulated other comprehensive losses		(2,074)	(2,407)
Equity attributable to shareholders of the Company		**13,619**	**11,048**
Non-controlling interests		57	54
TOTAL EQUITY		**13,676**	**11,102**
TOTAL LIABILITIES AND EQUITY		**16,248**	**13,769**

See accompanying notes to consolidated financial statements

Tata Consultancy Services Limited
Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the years ended March 31, 2017, 2016 and 2015

	Note	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
		(In millions of USD, except shares and per share data)		
Revenue from information technology services		**17,576**	**16,545**	**15,454**
Cost of information technology services		**9,965**	**9,274**	**8,894**
Gross profit		**7,611**	**7,271**	**6,560**
Operating expenses:				
Selling, general and administrative expenses		3,093	2,886	2,833
Operating profit		**4,518**	**4,385**	**3,727**
Other income:				
Finance and other income	20	340	271	268
Finance costs	21	(5)	(5)	(19)
Other gains, (net)	22	289	198	264
Other income (net)		**624**	**464**	**513**
Profit before taxes		**5,142**	**4,849**	**4,240**
Income tax expense	15	1,215	1,142	994
Profit for the year		**3,927**	**3,707**	**3,246**
Other comprehensive income / (losses), net of taxes:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations and translation to presentation currency		242	(445)	(436)
Net change in intrinsic value of derivatives designated as cash flow hedges		5	(10)	17
Net change in time value of derivatives designated as cash flow hedges		-	(3)	(1)
Net gain on financial assets other than equity shares carried at fair value through OCI		72	8	-
Items that will not be reclassified subsequently to profit or loss:				
Net loss on equity shares carried at fair value through OCI		(3)	-	-
Remeasurement of defined employee benefit plans		(31)	(16)	(26)
Total other comprehensive income / (losses), net of taxes		**285**	**(466)**	**(446)**
Total comprehensive income for the year, net of taxes		**4,212**	**3,241**	**2,800**
Profit for the year attributable to:				
Shareholders of the Company		3,917	3,688	3,213
Non-controlling interests		10	19	33
		3,927	**3,707**	**3,246**
Total comprehensive income attributable to:				
Shareholders of the Company		4,201	3,222	2,778
Non-controlling interests		11	19	22
		4,212	**3,241**	**2,800**
Weighted average number of shares used in computing basic and diluted earnings per share		1,970,427,941	1,966,040,455	1,958,727,979
Basic and diluted earnings per share in USD		1.99	1.88	1.64

See accompanying notes to consolidated financial statements

Tata Consultancy Services Limited
Consolidated Statements of Changes in Equity
For the years ended March 31, 2015, 2016 and 2017

(In millions of USD, except share data)

	Number of shares	Share capital	Share premium	Retained earnings	Special Economic Zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve		Investment revaluation reserve	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
							Intrinsic value	Time value				
Balance as at April 1, 2014	**1,958,727,979**	**44**	**427**	**10,289**	**-**	**(1,537)**	**(6)**	**(4)**	**-**	**9,213**	**115**	**9,328**
Profit for the year				3,213	-	-	-	-	-	3,213	33	3,246
Other comprehensive income				(26)	-	(425)	17	(1)	-	(435)	(11)	(446)
Total comprehensive income	**-**	**-**	**-**	**3,187**	**-**	**(425)**	**17**	**(1)**	**-**	**2,778**	**22**	**2,800**
Dividend (including tax on dividend of $381 million)		-	-	(2,811)	-	-	-	-	-	(2,811)	(7)	(2,818)
Excess of fair value over carrying cost of subsidiary transferred to non-controlling interests		-	-	9	-	-	-	-	-	9	59	68
Net assets received from entity under common control		-	-	3	-	-	-	-	-	3	-	3
Purchase of non-controlling interests		-	-	(7)	-	-	-	-	-	(7)	(6)	(13)
Obligation to acquire non-controlling interests		-	-	-	-	-	-	-	-	-	(37)	(37)
Balance as at March 31, 2015	**1,958,727,979**	**44**	**427**	**10,670**	**-**	**(1,962)**	**11**	**(5)**	**-**	**9,185**	**146**	**9,331**
Balance as at April 1, 2015	**1,958,727,979**	**44**	**427**	**10,670**	**-**	**(1,962)**	**11**	**(5)**	**-**	**9,185**	**146**	**9,331**
Profit for the year				3,688	-	-	-	-	-	3,688	19	3,707
Other comprehensive income				(16)	-	(445)	(10)	(3)	8	(466)	-	(466)
Total comprehensive income	**-**	**-**	**-**	**3,672**	**-**	**(445)**	**(10)**	**(3)**	**8**	**3,222**	**19**	**3,241**
Dividend (including tax on dividend of $231 million)		-	-	(1,466)	-	-	-	-	-	(1,466)	(13)	(1,479)
Purchase of non-controlling interests	11,699,962	-	484	(377)	-	-	-	-	-	107	(107)	-
Realised gain on equity shares carried at fair value through OCI		-	-	1	-	-	-	-	(1)	-	-	-
Remeasurement of obligation to acquire non-controlling interests		-	-	-	-	-	-	-	-	-	9	9
Balance as at March 31, 2016	**1,970,427,941**	**44**	**911**	**12,500**	**-**	**(2,407)**	**1**	**(8)**	**7**	**11,048**	**54**	**11,102**
Balance as at April 1, 2016	**1,970,427,941**	**44**	**911**	**12,500**	**-**	**(2,407)**	**1**	**(8)**	**7**	**11,048**	**54**	**11,102**
Profit for the year				3,917	-	-	-	-	-	3,917	10	3,927
Other comprehensive income				(31)	-	241	5	-	69	284	1	285
Total comprehensive income	**-**	**-**	**-**	**3,886**	**-**	**241**	**5**	**-**	**69**	**4,201**	**11**	**4,212**
Dividend (including tax on dividend of $265 million)		-	-	(1,626)	-	-	-	-	-	(1,626)	(4)	(1,630)
Purchase of non-controlling interests		-	-	(4)	-	-	-	-	-	(4)	(4)	(8)
Realised loss on equity shares carried at fair value through OCI		-	-	(3)	-	-	-	-	3	-	-	-
Transfer to Special Economic Zone re-investment reserve		-	-	(56)	56	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve		-	-	41	(41)	-	-	-	-	-	-	-
Balance as at March 31, 2017	**1,970,427,941**	**44**	**911**	**14,738**	**15**	**(2,166)**	**6**	**(8)**	**79**	**13,619**	**57**	**13,676**

See accompanying notes to consolidated financial statements

Tata Consultancy Services Limited
Consolidated Statements of Cash Flows
For the years ended March 31, 2017, 2016 and 2015

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	(In millions of USD)		
Cash flows from operating activities:			
Profit for the year	3,927	3,707	3,246
Adjustments to reconcile profit or loss to net cash provided by operating activities:			
Depreciation and amortisation	296	288	306
Net gain on disposal of property, plant and equipment	-	(1)	-
Income tax expense	1,215	1,142	994
Net gain on investments	(95)	(70)	(38)
Interest accrued on investments	-	-	(1)
Non-cash interest on put-call option liability	2	2	2
Bad debts, allowance for doubtful trade receivables and advances (net)	19	21	29
Unrealised foreign exchange loss / (gain)	8	(6)	4
Operating profit before working capital changes	**5,372**	**5,083**	**4,542**
Net change in:			
Trade receivables	101	(447)	(475)
Unbilled revenue	(229)	(8)	(2)
Other financial assets	16	(111)	29
Other assets	(22)	(3)	(128)
Trade and other payables	(125)	(310)	586
Unearned and deferred revenue	12	40	23
Other financial liabilities	16	22	12
Other liabilities	66	74	103
Cash generated from operations	**5,207**	**4,340**	**4,690**
Taxes paid	(1,184)	(1,154)	(1,228)
Net cash provided by operating activities	**4,023**	**3,186**	**3,462**

Tata Consultancy Services Limited
Consolidated Statements of Cash Flows
For the years ended March 31, 2017, 2016 and 2015

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	(In millions of USD)		
Cash flows from investing activities:			
Bank deposits placed	-	(10)	(2,489)
Inter-corporate deposits placed	(343)	(385)	(291)
Purchase of investments*	(18,166)	(17,681)	(10,912)
Payment for purchase of property, plant and equipment	(297)	(303)	(480)
Purchase of subsidiaries and business, net of cash of NIL, NIL and $4.2 million respectively (including additional consideration and purchase price adjustment)	-	-	(44)
Restricted cash placed with banks	-	(70)	(32)
Proceeds from bank deposits	6	2,457	2,123
Proceeds from inter-corporate deposits	587	180	321
Proceeds from disposal / redemption of investments*	15,388	14,712	11,243
Proceeds from disposal of property, plant and equipment	6	3	1
Proceeds from restricted cash	60	47	4
Net cash used in investing activities	**(2,759)**	**(1,050)**	**(556)**
Cash flows from financing activities:			
Short-term borrowings (net)	13	(11)	6
Dividend paid to non-controlling interests	(4)	(13)	(7)
Dividend paid including dividend tax	(1,626)	(1,466)	(2,811)
Purchase of non-controlling interests	(8)	-	(12)
Repayment of finance lease obligations	(10)	(9)	(11)
Net cash used in financing activities	**(1,635)**	**(1,499)**	**(2,835)**
Net change in cash and cash equivalents	(371)	637	71
Effect of foreign exchange on cash and cash equivalents	(24)	15	(18)
Cash and cash equivalents, beginning of the year	950	298	245
Cash and cash equivalents, end of the year	**555**	**950**	**298**
Supplementary cash flow information:			
Interest paid	3	3	23
Interest received	266	277	329
Dividend received	-	2	2
Supplementary disclosure of non-cash investing activities:			
Investment in shares at cost received in settlement of trade receivables	-	-	10
Issue of shares on acquisition of subsidiary	-	-	11
Shares to be issued on merger of subsidiary	-	484	-

See accompanying notes to consolidated financial statements

*Purchase of investments include $135 million, $72 million and NIL for the years ended March 31, 2017, 2016 and 2015, respectively, and Proceeds from disposal / redemption of investments include $110 million, $30 million and NIL for the years ended March 31, 2017, 2016 and 2015, respectively, held by TCS Foundation, formed for conducting corporate social responsibility activities of the Group.

1. Background and operations

Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively "TCS Limited" or "the Group") provide 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 & Performance Management, Business Process Services, Consulting, Digital Enterprise Services, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security & Risk Management, Enterprise Solutions, iON Small and Medium Businesses, IT Infrastructure Services, IT 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 at March 31, 2017, Tata Sons Limited owned 73.26% of the Company's equity share capital and is the holding company.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on June 16, 2017.

2. Summary of significant accounting policies

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB).

b. Basis of preparation

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value 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.

c. Basis of consolidation

Tata Consultancy Services Limited 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.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

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 shareholders of the Company.

d. Business combinations

The Group 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, the excess is recognised in determination of profit or loss after reassessing the fair values of the net assets and contingent liabilities.

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 judgments

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue 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 the consolidated 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 and provisions and contingent liabilities.

Impairment of Goodwill
The Group estimated the value-in-use of the cash generating units (CGUs) 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 were developed using internal forecasts. The discount rates used for the CGUs represented 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 carrying amount 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 has been explained under note 2(k).

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 than 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 as at the date of the statement of financial position. These are reviewed at the end of each reporting period 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.

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

f. Revenue recognition

TCS Limited 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.

TCS Limited 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 statement of financial position; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the statement of financial position.

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 TCS Limited 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.

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 comprehensive income.

h. Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

Cost of information technology services

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, employee allowances, payroll related taxes, fees to external consultants engaged in providing services, cost of equipment and software licences, depreciation and amortisation of production related equipment and software, facility expenses, communication costs and other project related expenses.

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel costs, advertising, business promotion expenses, allowances for delinquent receivables and other advances, facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation of non-production equipment and software, facility expenses for administrative offices, communication costs, fees to external consultants and other general expenses.

i. Foreign currency

The functional currency of Tata Consultancy Services Limited and its Indian subsidiaries is the Indian Rupee (₹) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile. These consolidated financial statements are presented in US Dollars ($) to facilitate the investors’ ability to evaluate TCS Limited’s performance and financial position in comparison to similar companies domiciled in different foreign jurisdictions.

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 dates of statement of financial position. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or 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 dates of statement of financial position. Statement of profit or loss and other comprehensive income statement items 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. Finance and other income

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

k. 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 Tata Consultancy Services Limited, its overseas branches and its subsidiaries in India and overseas. The current tax payable by Tata Consultancy Services Limited and its subsidiaries in India is Indian income tax payable on worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of Tata Consultancy Services Limited 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 Tata Consultancy Services Limited'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 statement of financial position 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.

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.

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

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

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, 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 statement of financial position 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.

l. Financial instruments

Financial assets and liabilities are recognised when the Company or its subsidiaries 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

TCS Limited 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 or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

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

Hedge accounting

TCS Limited 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.

TCS Limited 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 profit or loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow 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 the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the profit or 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 profit or 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 equity is transferred to the profit or loss.

m. 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 less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. The estimated useful lives are as mentioned below:

Type of asset	**Method**	**Useful lives**
Buildings	Straight line	20 years
Leasehold improvements	Straight line	Lease term
Computer equipment	Straight line	4 years
Furniture, fixtures, office equipments and other assets	Straight line	4-10 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. Capital work-in-progress includes capital advances.

n. 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 as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis.

Intangible assets consist of customer-related intangibles, acquired contract rights and rights under licensing agreement and software licences. Following table summarises the nature of intangibles and the estimated useful lives.

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

o. Impairment

A. Financial assets (other than at fair value)

The Group assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 (2014) 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.

B. Non-financial assets

(i) 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 profit or loss.

(ii) 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.

p. Employee benefits

Defined benefit plans

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

The retirement benefit obligations recognised in the statement of financial position 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.

Defined contribution plans

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

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 year end.

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 years presented.

3. Recent accounting standards

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 7	Information about financing activities[1]
Amendment to IAS 12	Recognition of deferred tax assets for unrealised losses[1]
IFRS 15	Revenue from Contracts with Customers[2]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[2]
IFRS 16	Leases[3]
IFRS 17	Insurance Contracts[4]

[1] Effective for annual periods beginning on or after January 1, 2017.
[2] Effective for annual periods beginning on or after January 1, 2018.
[3] Effective for annual periods beginning on or after January 1, 2019.
[4] Effective for annual periods beginning on or after January 1, 2021.

IAS 7 – Amendments arising out of Disclosure Initiative
On January 29, 2016, the IASB published amendments to IAS 7, Statement of Cash Flows. The amendments require an entity to provide disclosures to enable users of financial statements to evaluate changes in liabilities arising from an entity's financing activities including cash and non-cash changes. TCS Limited does not expect to have any impact resulting from these amendments.

IAS 12 – Recognition of deferred tax assets for unrealised losses
In January 2016, the IASB issued amendments to IAS 12- Income Taxes that clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. TCS Limited does not expect to have any impact resulting from these amendments.

IFRS 15 – Revenue from Contracts with Customers
In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. In April 2016, the IASB issued clarifications to IFRS 15 in relation to identification of performance obligations, principal versus agent considerations as well as licensing application guidance. TCS Limited is evaluating the impact, if any, of this Standard on its financial statements.

IFRIC 22 – Foreign Currency Transactions and advance consideration
On December 8, 2016, the International Accounting Standards Board issued IFRIC 22 which clarifies the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. TCS Limited is evaluating the impact, if any, of IFRIC 22 on its financial statements.

IFRS 16 – Leases
On January 13, 2016, the International Accounting Standards Board issued the final version of IFRS16, Leases. IFRS16 will replace the existing leases Standard, IAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise right to use asset and a corresponding liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. The Group is in the process of evaluating the impact of the new standard.

4. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Cash at banks and in hand	483	515
Bank deposits (original maturity less than three months)	72	435
Total	**555**	**950**
Held within India	61	613
Held outside India	494	337
Total	**555**	**950**

5. Trade receivables

Trade receivables consist of the following:

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Trade receivables	3,597	3,721
Less: Allowance for doubtful trade receivables	(99)	(87)
Total	**3,498**	**3,634**

In determining the allowances for doubtful trade receivables the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

6. Investments

Investments consist of the following:

(a) Investments – Current

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Investments carried at fair value through profit or loss		
Mutual fund units	3,028	258
	3,028	**258**
Investments carried at fair value through OCI		
Government securities	3,393	3,057
	3,393	**3,057**
Investments carried at amortised cost		
Certificate of deposits	-	74
Corporate debentures and bonds	-	4
	-	**78**
Total investments – Current	**6,421**	**3,393**

(b) Investments – Non-current

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Investments carried at fair value through profit or loss		
Mutual fund units	8	9
	8	**9**
Investments carried at fair value through OCI		
Equity shares	22	26
	22	**26**
Investments carried at amortised cost		
Corporate debentures and bonds	2	2
Government securities	21	15
	23	**17**
Total investments – Non-current	**53**	**52**

7. Other financial assets

Other financial assets consist of the following:

(a) Other current financial assets

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Accrued interest	110	31
Employee loans and advances	53	154
Foreign exchange derivative assets	88	81
Inter-corporate deposits	395	260
Premises deposits	21	21
Restricted cash	19	66
Others	9	6
Total	**695**	**619**

(b) Other non-current financial assets

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Accrued interest	-	11
Employee loans and advances	1	1
Inter-corporate deposits	-	372
Premises deposits	103	97
Restricted cash	-	13
Others	25	16
Total	**129**	**510**

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

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

8. Other assets

Other assets consist of the following:

(a) Other current assets

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Advances to suppliers	29	36
Indirect tax recoverable	75	51
Prepaid expenses	233	208
Others	17	36
Total	**354**	**331**

(b) Other non-current assets

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Prepaid expenses	43	68
Prepaid rent	35	36
Others	6	13
Total	**84**	**117**

9. Property, plant and equipment

Property, plant and equipment consist of the following:

	Freehold land	Buildings	Leasehold improve-ments	Computer equipment	Furniture, fixtures, office equipments and other assets	Total
			(In millions of USD)			
Cost as at April 1, 2016	**53**	**924**	**277**	**845**	**816**	**2,915**
Additions	-	89	27	124	67	307
Disposals	-	(1)	(5)	(42)	(7)	(55)
Translation exchange difference	1	23	4	12	15	55
Cost as at March 31, 2017	**54**	**1,035**	**303**	**939**	**891**	**3,222**
Accumulated depreciation as at April 1, 2016	**-**	**(172)**	**(148)**	**(628)**	**(463)**	**(1,411)**
Disposals	-	1	3	40	7	51
Depreciation for the year	-	(50)	(29)	(118)	(87)	(284)
Translation exchange difference	-	(5)	(2)	(9)	(10)	(26)
Accumulated depreciation as at March 31, 2017	**-**	**(226)**	**(176)**	**(715)**	**(553)**	**(1,670)**
Net carrying amount as at March 31, 2017	**54**	**809**	**127**	**224**	**338**	**1,552**
Capital work-in-progress						259
Total						**1,811**

	Freehold land	Buildings	Leasehold improve-ments	Computer equipment	Furniture, fixtures, office equipments and other assets	Total
			(In millions of USD)			
Cost as at April 1, 2015	**56**	**772**	**268**	**811**	**714**	**2,621**
Additions	-	196	28	100	149	473
Disposals	-	-	(6)	(25)	(8)	(39)
Translation exchange difference	(3)	(44)	(13)	(41)	(39)	(140)
Cost as at March 31, 2016	**53**	**924**	**277**	**845**	**816**	**2,915**
Accumulated depreciation as at April 1, 2015	**-**	**(137)**	**(128)**	**(566)**	**(409)**	**(1,240)**
Disposals	-	-	4	25	7	36
Depreciation for the year	-	(43)	(31)	(117)	(82)	(273)
Translation exchange difference	-	8	7	30	21	66
Accumulated depreciation as at March 31, 2016	**-**	**(172)**	**(148)**	**(628)**	**(463)**	**(1,411)**
Net carrying amount as at March 31, 2016	**53**	**752**	**129**	**217**	**353**	**1,504**
Capital work-in-progress						276
Total						**1,780**

	Freehold land	Buildings	Leasehold improve-ments	Computer equipment	Furniture, fixtures, office equipments and other assets	Total
			(In millions of USD)			
Cost as at April 1, 2014	**58**	**587**	**215**	**694**	**601**	**2,155**
Additions	-	213	43	157	141	554
Acquisition through a business combination	-	-	28	12	6	46
Disposals	-	-	(1)	(10)	(3)	(14)
Translation exchange difference	(2)	(28)	(17)	(42)	(31)	(120)
Cost as at March 31, 2015	**56**	**772**	**268**	**811**	**714**	**2,621**
Accumulated depreciation as at April 1, 2014	**-**	**(103)**	**(105)**	**(482)**	**(327)**	**(1,017)**
Disposals	-	-	-	10	2	12
Depreciation for the year	-	(39)	(30)	(121)	(101)	(291)
Translation exchange difference	-	5	7	27	17	56
Accumulated depreciation as at March 31, 2015	**-**	**(137)**	**(128)**	**(566)**	**(409)**	**(1,240)**
Net carrying amount as at March 31, 2015	**56**	**635**	**140**	**245**	**305**	**1,381**
Capital work-in-progress						468
Total						**1,849**

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

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Leasehold improvements	6	7
Computer equipment	2	7
Furniture, fixtures, office equipments and other assets	1	-
Total	**9**	**14**

10. Intangible assets

Intangible assets consist of the following:

	Customer-related intangibles	Acquired contract rights	Rights under licensing agreement and software licences	Total
	(In millions of USD)			
Cost as at April 1, 2016	**14**	**57**	**22**	**93**
Additions	-	-	-	-
Disposals / Derecognised	-	-	(9)	(9)
Translation exchange difference	-	(5)	-	(5)
Cost as at March 31, 2017	**14**	**52**	**13**	**79**
Accumulated amortisation as at April 1, 2016	**(12)**	**(43)**	**(18)**	**(73)**
Amortisation for the year	(1)	(10)	(1)	(12)
Disposals / Derecognised	-	-	9	9
Translation exchange difference	-	4	-	4
Accumulated amortisation as at March 31, 2017	**(13)**	**(49)**	**(10)**	**(72)**
Net carrying amount as at March 31, 2017	**1**	**3**	**3**	**7**

	Customer-related intangibles	Acquired contract rights	Rights under licensing agreement and software licences	Total
	(In millions of USD)			
Cost as at April 1, 2015	**14**	**58**	**23**	**95**
Additions	-	-	-	-
Translation exchange difference	-	(1)	(1)	(2)
Cost as at March 31, 2016	**14**	**57**	**22**	**93**
Accumulated amortisation as at April 1, 2015	**(9)**	**(34)**	**(17)**	**(60)**
Amortisation for the year	(3)	(10)	(2)	(15)
Translation exchange difference	-	1	1	2
Accumulated amortisation as at March 31, 2016	**(12)**	**(43)**	**(18)**	**(73)**
Net carrying amount as at March 31, 2016	**2**	**14**	**4**	**20**

	Customer-related intangibles	Acquired contract rights	Rights under licensing agreement and software licences	Total
		(In millions of USD)		
Cost as at April 1, 2014	**15**	**42**	**24**	**81**
Additions	-	-	-	-
Acquisition through a business combination	2	21	-	23
Translation exchange difference	(3)	(5)	(1)	(9)
Cost as at March 31, 2015	**14**	**58**	**23**	**95**
Accumulated amortisation as at April 1, 2014	**(7)**	**(29)**	**(15)**	**(51)**
Amortisation for the year	(3)	(9)	(3)	(15)
Translation exchange difference	1	4	1	6
Accumulated amortisation as at March 31, 2015	**(9)**	**(34)**	**(17)**	**(60)**
Net carrying amount as at March 31, 2015	**5**	**24**	**6**	**35**

Function wise amortisation of intangible assets is as follows:

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
		(In millions of USD)	
Cost of information technology services	4	4	2
Selling, general and administrative expenses	8	11	13
Total	**12**	**15**	**15**

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

Year ending March 31,	Amortisation expense
	(In millions of USD)
2018	5
2019	1
2020	1
Thereafter	-
Total	**7**

11. Goodwill

Goodwill consists of the following:

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Balance at the beginning of the year	575	593
Foreign currency exchange loss	(1)	(18)
Balance at the end of the year	**574**	**575**

TCS Limited tests goodwill annually for impairment.

Goodwill of $330 million and $323 million as at March 31, 2017 and 2016 has been allocated to TCS business process services (BPS) CGU. TCS Limited estimated the value-in-use of TCS BPS based on future cash flows of this CGU using a 5.00% annual growth rate for periods subsequent to the forecast period of 3 years and discount rate of 15.00%. An analysis of the sensitivity of the computation to a 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.

Goodwill of $82 million and $87 million as at March 31, 2017 and 2016 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 1.50% 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 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 $162 million and $165 million as at March 31, 2017 and 2016 (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.

12. Trade and other payables

Trade and other payables consist of the following:

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Accrued payroll	212	304
Trade payables	750	831
Others	6	3
Total	**968**	**1,138**

13. Other financial liabilities

Other financial liabilities consist of the following:

(a) Other current financial liabilities

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Capital creditors	44	50
Foreign exchange derivative liabilities	3	23
Liabilities for cost related to customer contracts	154	133
Liabilities for purchase of Government securities	-	121
Others	35	22
Total	**236**	**349**

(b) Other non-current financial liabilities

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Capital creditors	3	9
Others	67	65
Total	**70**	**74**

Others includes advance taxes paid of $35 million and $35 million as at March 31, 2017 and 2016, respectively, by the seller of TCS e-Serve Limited which on refund by tax authorities, is payable to the seller.

14. Other liabilities

Other liabilities consist of the following:

(a) Other current liabilities

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Advances received from customers	51	25
Indirect tax payable and other statutory liabilities	201	208
Others	17	14
Total	**269**	**247**

(b) Other non-current liabilities

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Operating lease liabilities	60	57
Others	7	10
Total	**67**	**67**

15. Income taxes

The income tax expense consists of the following:

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
		(In millions of USD)	
Current tax:			
Current tax expense for current year	1,243	1,140	1,028
Current tax expense / (benefit) pertaining to prior years	(16)	3	5
	1,227	**1,143**	**1,033**
Deferred tax benefit	**(12)**	**(1)**	**(39)**
	1,215	**1,142**	**994**

Deferred tax benefit for the years March 31, 2017, 2016 and 2015 includes tax benefit of $10 million and tax expense of $1 million and NIL, respectively, pertaining to prior years.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statements of profit or loss is as follows:

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
		(In millions of USD)	
Profit before income taxes	5,142	4,849	4,240
Indian statutory income tax rate	34.61%	34.61%	33.99%
Expected income tax expense	1,780	1,678	1,441
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:			
Tax holidays	(622)	(682)	(639)
Income exempt from tax	(25)	(15)	(3)
Undistributed earnings in branches and subsidiaries	29	62	34
Tax on income at different rates	15	36	98
Tax pertaining to prior years	(26)	4	5
Others (net)	64	59	58
Total income tax expense	**1,215**	**1,142**	**994**

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 fulfillment 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:

	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Acquisitions / disposals	Exchange difference	Closing balance
			(In millions of USD)			
Deferred tax assets / (liabilities) in relation to:						
Property, plant and equipment and intangible assets	(13)	(6)	-	-	(1)	(20)
Retirement benefits and compensated absences	49	9	-	-	1	59
Receivables, financial assets at amortised cost	29	4	-	-	1	34
MAT credit entitlement	299	15	-	-	7	321
Branch profit tax	(52)	9	-	-	(1)	(44)
Undistributed earnings of subsidiaries	(51)	(25)	-	-	(2)	(78)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(4)	-	(38)	-	(2)	(44)
Others	56	6	-	-	1	63
Net deferred tax assets / (liabilities)	**313**	**12**	**(38)**	**-**	**4**	**291**

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2017	**Assets**	**Liabilities**	**Net**
	(In millions of USD)		
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment and intangible assets	(5)	15	(20)
Retirement benefits and compensated absences	59	-	59
Receivables, financial assets at amortised cost	34	-	34
MAT credit entitlement	321	-	321
Branch profit tax	-	44	(44)
Undistributed earnings of subsidiaries	-	78	(78)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(44)	-	(44)
Others	68	5	63
Net deferred tax assets / (liabilities)	**433**	**142**	**291**

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

	Opening balance	**Recognised in profit or loss**	**Recognised in / reclassified from other comprehensive income**	**Acquisitions / disposals**	**Exchange difference**	**Closing balance**
			(In millions of USD)			
Deferred tax assets / (liabilities) in relation to:						
Property, plant and equipment and intangible assets	(20)	6	-	-	1	(13)
Retirement benefits and compensated absences	46	3	2	-	(2)	49
Receivables, financial assets at amortised cost	25	5	-	-	(1)	29
MAT credit entitlement	304	12	-	-	(17)	299
Branch profit tax	(40)	(14)	-	-	2	(52)
Undistributed earnings of subsidiaries	(25)	(27)	-	-	1	(51)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	-	-	(4)	-	-	(4)
Others	42	16	2	-	(4)	56
Net deferred tax assets / (liabilities)	**332**	**1**	**-**	**-**	**(20)**	**313**

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2016	**Assets**	**Liabilities**	**Net**
	(In millions of USD)		
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment and intangible assets	2	15	(13)
Retirement benefits and compensated absences	49	-	49
Receivables, financial assets at amortised cost	29	-	29
MAT credit entitlement	299	-	299
Branch profit tax	-	52	(52)
Undistributed earnings of subsidiaries	-	51	(51)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(4)	-	(4)
Others	60	4	56
Net deferred tax assets / (liabilities)	**435**	**122**	**313**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2015 are as follows:

	Opening balance	**Recognised in profit or loss**	**Recognised in / reclassified from other comprehensive income**	**Acquisitions / disposals**	**Exchange difference**	**Closing balance**
			(In millions of USD)			
Deferred tax assets / (liabilities) in relation to:						
Property, plant and equipment and intangible assets	(27)	13	-	(7)	1	(20)
Retirement benefits and compensated absences	35	-	6	8	(3)	46
Receivables, financial assets at amortised cost	19	7	-	-	(1)	25
MAT credit entitlement	316	1	-	-	(13)	304
Operating loss carry forward	2	(6)	-	4	-	-
Branch profit tax	(36)	(6)	-	-	2	(40)
Undistributed earnings of subsidiaries	(39)	12	-	-	2	(25)
Others	22	18	(2)	7	(3)	42
Net deferred tax assets / (liabilities)	**292**	**39**	**4**	**12**	**(15)**	**332**

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 unabsorbed business losses will expire based on the year of origination as follows:

March 31,	**Unabsorbed business losses**
	(In millions of USD)
2018	2
2019	3
2020	5
2021	11
2022	8
Thereafter	46
Total	**75**

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 $321 million and has not recognised a deferred tax assets in respect of tax credit entitlement amounting to $171 million as at March 31, 2017 which will expire after March 31, 2032.

Deferred tax liability on undistributed earnings of $963 million 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 at 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 $415 million. In respect of tax contingencies of $49 million, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

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 2014 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2013 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.

16. Authorised and issued share capital

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
(a) Authorised		
Equity shares of ₹1 each (4,600,500,000 shares and 4,600,500,000 shares)	86	86
	86	**86**
(b) Issued, Subscribed and Paid up		
Opening balance of equity shares of ₹1 each (1,970,427,941 shares and 1,958,727,979 shares)	44	44
Equity shares of ₹1 each issued during the year (NIL and 11,699,962 shares)	-	-*
Total	**44**	**44**

*Amount less than $1 million.

Fully paid equity shares, which have a par value of $0.02 (₹1) each carry one vote per share and have a right to dividend. Dividend can be declared out of retained profits computed in accordance with the Indian Companies Act, 2013. Subject to the buy-back of shares, under the Indian Companies Act, equity shares are not redeemable. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

CMC Limited, a subsidiary, merged with Tata Consultancy Services Limited, in accordance with the terms of the Scheme of amalgamation sanctioned by the 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 $0.02 (₹1) each with total fair value of $484 million to the non-controlling shareholders of CMC Limited pursuant to the Scheme of amalgamation without payment being received in cash. The difference between the fair value of the shares issued and the carrying value of the non-controlling interest has been recorded in retained earnings.

The Board of Directors of the Company, at its meeting held on February 20, 2017 has approved a proposal to buy-back up to 56,140,351 equity shares of the Company for an aggregate amount not exceeding $2,467 million (₹16,000 crore), being 2.85% of the total paid up equity share capital at $43.95 (₹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.

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

17. Other components of equity

Other components of equity consist of the following:

(a) Investment revaluation reserve

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	(In millions of USD)		
Balance at the beginning of the year	7	-	-
Net loss arising on revaluation of investments in equities carried at fair value through other comprehensive income	(3)	-	-
Deferred tax relating to net loss arising on revaluation of investments in equities carried at fair value through other comprehensive income	-	-	-
Net cumulative loss / (gain) reclassified to retained earnings on sale of investments in equities carried at fair value through other comprehensive income	3	(1)	-
Deferred tax relating to net cumulative loss / (gain) reclassified to profit or loss on sale of investments in equities carried at fair value through other comprehensive income	-	-	-
Net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	110	20	-
Deferred tax relating to net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(38)	(7)	-
Net cumulative gain reclassified to profit or loss on sale of investments other than equities carried at fair value	-	(8)	-
Deferred tax relating to net cumulative gain reclassified to profit or loss on sale of investments other than equities carried at fair value	-	3	-
Balance at the end of the year	**79**	**7**	**-**

(b) Cash flow hedging reserve

Refer note 24(b) for movements in hedging reserve.

(c) Foreign currency translation reserve

Refer statements of change in equity for movements in foreign currency translation reserve.

18. Employee benefits

Function wise employee cost is as follows:

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	(In millions of USD)		
Cost of information technology services	6,884	6,379	6,243
Selling, general and administrative expenses	2,298	2,051	2,036
Total	**9,182**	**8,430**	**8,279**

(a) Current employee benefit obligations

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Compensated absences	283	244
Other employee benefit obligations	4	3
Total	**287**	**247**

(b) Non-current employee benefit obligations

	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Foreign defined benefit plans	24	26
Other employee benefit obligations	14	10
Total	**38**	**36**

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 recognised in the financial statements:

	Year ended March 31, 2017					Year ended March 31, 2016					Year ended March 31, 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
						(In millions of USD)									
Change in benefit obligations:															
Benefit obligations, beginning of the year	247	-	112	10	369	206	-	110	9	325	169	-	72	6	247
Exchange loss / (gain) on translation	7	-	(6)	-	1	(11)	-	-	(1)	(12)	(8)	-	(14)	(1)	(23)
Plans assumed on acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	30	-	30
Plan participants' contribution	-	-	1	-	1	-	-	1	-	1	-	-	1	-	1
Service cost	36	-	2	3	41	31	-	4	2	37	27	-	3	2	32
Interest cost	21	-	1	-	22	16	-	2	-	18	16	-	3	-	19
Remeasurement of the net defined benefit liability	30	-	9	(1)	38	23	-	(2)	-	21	21	-	17	2	40
Past service (credit) / cost	-	-	(1)	-	(1)	2	-	-	-	2	-	-	-	-	-
Benefits paid	(19)	-	(2)	-	(21)	(20)	-	(3)	-	(23)	(19)	-	(2)	-	(21)
Adjustment on plan settlement	-	-	(33)	-	(33)	-	-	-	-	-	-	-	-	-	-
Benefit obligations, end of the year	**322**	**-**	**83**	**12**	**417**	**247**	**-**	**112**	**10**	**369**	**206**	**-**	**110**	**9**	**325**

	Year ended March 31, 2017					Year ended March 31, 2016					Year ended March 31, 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
						(In millions of USD)									
Change in plan assets:															
Fair value of plan assets, beginning of the year	264	-	110	-	374	232	-	107	-	339	143	-	65	-	208
Exchange gain / (loss) on translation	7	-	(5)	-	2	(13)	-	2	-	(11)	(8)	-	(15)	-	(23)
Plans assumed on acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	40	-	40
Interest income	22	-	1	-	23	18	-	2	-	20	14	-	3	-	17
Employers' contributions	59	-	2	-	61	43	-	4	-	47	101	-	4	-	105
Plan participants' contribution	-	-	1	-	1	-	-	1	-	1	-	-	1	-	1
Benefits paid	(19)	-	(2)	-	(21)	(20)	-	(3)	-	(23)	(19)	-	(2)	-	(21)
Remeasurement - return on plan assets excluding amount included in interest income	-	-	7	-	7	4	-	(3)	-	1	1	-	11	-	12
Adjustment on plan settlement*	-	-	(43)	-	(43)	-	-	-	-	-	-	-	-	-	-
Fair value of plan assets, end of the year	**333**	**-**	**71**	**-**	**404**	**264**	**-**	**110**	**-**	**374**	**232**	**-**	**107**	**-**	**339**

*Adjustment on plan settlement includes $10 million in respect of fair value of plan assets not recognised in the statement of financial position in the previous periods due to asset ceiling.

	As at March 31, 2017					As at 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
	(In millions of USD)									
Funded status:										
Deficit of plan assets over obligations	-	-	(12)	(12)	(24)	-	-	(16)	(10)	(26)
Surplus of plan assets over obligations	11	-	-	-	11	17	-	14	-	31
Unrecognised asset due to asset ceiling	-	-	-	-	-	-	-	(10)	-	(10)
	11	**-**	**(12)**	**(12)**	**(13)**	**17**	**-**	**(12)**	**(10)**	**(5)**

	As at March 31, 2017					As at 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
	(In millions of USD)									
Category of assets:										
Corporate bonds	113	-	22	-	135	47	-	15	-	62
Equity shares	15	-	5	-	20	6	-	8	-	14
Government Securities	96	-	-	-	96	76	-	-	-	76
Index linked gilt	-	-	-	-	-	-	-	17	-	17
Insurer managed funds	107	-	4	-	111	111	-	30	-	141
Bank balances	-	-	2	-	2	15	-	40	-	55
Others	2	-	38	-	40	9	-	-	-	9
Total	**333**	**-**	**71**	**-**	**404**	**264**	**-**	**110**	**-**	**374**

Net periodic gratuity / pension cost, included in employee cost (Refer note 19), consists of the following components:

	Year ended March 31, 2017					Year ended March 31, 2016					Year ended March 31, 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
								(In millions of USD)							
Service cost	36	-	2	3	41	31	-	4	2	37	27	-	3	2	32
Net interest on net defined benefit liability / (asset)	(1)	-	-	-	(1)	(2)	-	-	-	(2)	2	-	-	-	2
Past service (credit) / cost	-	-	(1)	-	(1)	2	-	-	-	2	-	-	-	-	-
Net periodic gratuity / pension cost	**35**	**-**	**1**	**3**	**39**	**31**	**-**	**4**	**2**	**37**	**29**	**-**	**3**	**2**	**34**
Actual return on plan assets	**22**	**-**	**8**	**-**	**30**	**22**	**-**	**(1)**	**-**	**21**	**15**	**-**	**14**	**-**	**29**

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

	Year ended March 31, 2017				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In millions of USD)				
Actuarial (gains) and losses arising from changes in demographic assumptions	-	-	-	-	-
Actuarial (gains) and losses arising from changes in financial assumptions	11	-	8	(1)	18
Actuarial (gains) and losses arising from changes in experience adjustments	19	-	1	-	20
Remeasurement of the net defined benefit liability	30	-	9	(1)	38
Remeasurement - return on plan assets excluding amount included in interest income	-	-	(7)	-	(7)
Total	**30**	**-**	**2**	**(1)**	**31**

	Year ended March 31, 2016				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In millions of USD)				
Actuarial (gains) and losses arising from changes in demographic assumptions	2	-	(2)	-	-
Actuarial (gains) and losses arising from changes in financial assumptions	9	-	-	-	9
Actuarial (gains) and losses arising from changes in experience adjustments	12	-	-	-	12
Remeasurement of the net defined benefit liability	23	-	(2)	-	21
Remeasurement - return on plan assets excluding amount included in interest income	(4)	-	3	-	(1)
Asset ceiling recognised in OCI	-	-	(2)	-	(2)
Total	**19**	**-**	**(1)**	**-**	**18**

	Year ended March 31, 2015				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In millions of USD)				
Actuarial (gains) and losses arising from changes in demographic assumptions	(1)	-	(2)	-	(3)
Actuarial (gains) and losses arising from changes in financial assumptions	17	-	18	2	37
Actuarial (gains) and losses arising from changes in experience adjustments	5	-	1	-	6
Remeasurement of the net defined benefit liability	21	-	17	2	40
Remeasurement - return on plan assets excluding amount included in interest income	(1)	-	(11)	-	(12)
Asset ceiling recognised in OCI	-	-	3	-	3
Total	**20**	**-**	**9**	**2**	**31**

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 March 31, 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%	NA	NA
Weighted average duration of defined benefit obligations	4-10 years	15-29 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 TCS Limited's defined benefit plan obligations as at March 31, 2017. TCS Limited is expected to contribute $31 million to defined benefit plan obligations funds in fiscal 2018 comprising domestic component of $29 million and foreign component of $2 million.

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 $20 million (increase by $22 million) as at March 31, 2017.

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by $13 million (decrease by $12 million) as at 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 statement of financial position.

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:

Year ending March 31,	Defined benefit obligations
	(In millions of USD)
2018	34
2019	32
2020	33
2021	33
2022	32
Thereafter	152

Defined contribution plans

Superannuation

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

TCS Limited contributed $39 million, $38 million and $36 million to the Employees' Superannuation Fund in fiscals 2017, 2016 and 2015, 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.

Tata Consultancy Services Limited and its subsidiaries contributed $120 million, $104 million and $99 million to the provident fund in fiscals 2017, 2016 and 2015, respectively.

Foreign Defined Contribution Plan

Tata Consultancy Services Limited and its subsidiaries contributed $123 million, $124 million and $117 million in fiscals 2017, 2016 and 2015, respectively, towards foreign defined contribution plan.

19. Expenses by nature

	Year ended March 31, 2017	**Year ended March 31, 2016**	**Year ended March 31, 2015**
		(In millions of USD)	
Employee cost	9,182	8,430	8,279
Fees to external consultants	1,319	1,280	1,085
Facility expenses	549	519	520
Depreciation and amortisation	296	288	306
Cost of equipment and software licences	418	391	303
Travel expenses	415	405	393
Communication	159	169	172
Bad debts, provision for trade receivable and advances (net)	19	21	29
Other expenses	701	657	640
Total	**13,058**	**12,160**	**11,727**

Research and development expenditure aggregating $42 million, $36 million and $37 million, incurred during the years ended March 31, 2017, 2016 and 2015, respectively, is included in the above expenses.

Refer note 18 for function wise bifurcation of employee cost.

Transaction cost related to acquisition of subsidiary of NIL, NIL and $1 million for fiscals 2017, 2016 and 2015, respectively, has been included in other expenses.

In the year ended March 31, 2015, an amount of $423 million was recognised in the statement of profit or loss in respect of one-time bonus to eligible employees.

20. Finance and other income

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	(In millions of USD)		
Dividend received	-	2	2
Interest income on bank balances	17	221	197
Interest on financial assets carried at fair value through OCI	238	5	-
Interest on financial assets carried at amortised cost	61	38	66
Rental revenue	3	4	3
Others	21	1	-
Total	**340**	**271**	**268**

21. Finance costs (at effective interest rate)

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	(In millions of USD)		
Interest on bank overdrafts and loans	2	3	13
Other interest expenses	3	2	6
Total	**5**	**5**	**19**

22. Other gains, (net)

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	(In millions of USD)		
Net gains on disposal of property, plant and equipment	-	1	-
Net gain on investments carried at fair value through profit or loss	94	62	34
Net gain on disposal of financial assets other than equity shares carried at fair value through OCI	-	8	-
Net gain on disposal of investments carried at amortised cost	1	-	4
Net foreign exchange gains	185	113	213
Others	9	14	13
Total	**289**	**198**	**264**

23. Leases

TCS Limited 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 $271 million, $259 million and $257 million in fiscals 2017, 2016 and 2015, respectively.

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

Operating lease	**As at March 31, 2017**	**As at March 31, 2016**
	(In millions of USD)	
Due within one year	128	111
Due in a period between one year and five years	355	327
Due after five years	187	186
Total minimum lease commitments	**670**	**624**

Finance lease	**As at March 31, 2017**		**As at March 31, 2016**	
	Minimum lease commitments	**Present value of minimum lease commitments**	**Minimum lease commitments**	**Present value of minimum lease commitments**
	(In millions of USD)			
Due within one year	4	3	9	7
Due in a period between one year and five years	11	8	12	8
Due after five years	3	3	5	4
Total minimum lease commitments	**18**	**14**	**26**	**19**
Less: Interest	(4)		(7)	
Present value of minimum lease commitments	**14**		**19**	

Receivables under sub leases	**As at March 31, 2017**	**As at March 31, 2016**
	(In millions of USD)	
Due within one year	2	3
Due in a period between one year and five years	-	2
Due after five years	-	-
Total	**2**	**5**

Income from sub leases of $3 million, $4 million and $3 million have been recognised in the statements of profit or loss and other comprehensive income for the periods ended March 31, 2017, 2016 and 2015, respectively.

24. 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(l) to the consolidated financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2017 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
			(In millions of USD)			
Financial assets:						
Cash and cash equivalents	-	-	-	-	555	555
Bank deposits	-	-	-	-	66	66
Trade receivables	-	-	-	-	3,498	3,498
Investments	3,036	3,415	-	-	23	6,474
Unbilled revenue	-	-	-	-	825	825
Other financial assets*	-	-	21	67	736	824
Total	**3,036**	**3,415**	**21**	**67**	**5,703**	**12,242**
Financial liabilities:						
Trade and other payables	-	-	-	-	968	968
Borrowings	-	-	-	-	45	45
Other financial liabilities	30	-	-	3	273	306
Total	**30**	**-**	**-**	**3**	**1,286**	**1,319**

*Other financial assets include inter-corporate deposits of $395 million, with original maturity period within 50 months.

The carrying value of financial instruments by categories as at March 31, 2016 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
			(In millions of USD)			
Financial assets:						
Cash and cash equivalents	-	-	-	-	950	950
Bank deposits	-	-	-	-	71	71
Trade receivables	-	-	-	-	3,634	3,634
Investments	267	3,083	-	-	95	3,445
Unbilled revenue	-	-	-	-	603	603
Other financial assets*	-	-	17	64	1,048	1,129
Total	**267**	**3,083**	**17**	**64**	**6,401**	**9,832**
Financial liabilities:						
Trade and other payables	-	-	-	-	1,138	1,138
Borrowings	-	-	-	-	37	37
Other financial liabilities	28	-	2	21	372	423
Total	**28**	**-**	**2**	**21**	**1,547**	**1,598**

*Other financial assets include inter-corporate deposits of $632 million, with original maturity period within 50 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled revenues and trade and other payables as at March 31, 2017 and March 31, 2016 approximate the fair value because of the short-term nature of these assets. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Fair value hierarchy:

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

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

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

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

As at March 31, 2017:	**Level 1**	**Level 2**	**Level 3**	**Total**
		(In millions of USD)		
Financial assets:				
Mutual fund units	3,036	-	-	3,036
Equity shares	-	-	22	22
Corporate debentures and bonds	-	2	-	2
Government securities	3,414	-	-	3,414
Derivative financial assets	-	88	-	88
Total	**6,450**	**90**	**22**	**6,562**
Financial liabilities:				
Other financial liabilities	-	-	30	30
Derivative financial liabilities	-	3	-	3
Total	**-**	**3**	**30**	**33**

As at March 31, 2016:	**Level 1**	**Level 2**	**Level 3**	**Total**
		(In millions of USD)		
Financial assets:				
Mutual fund units	267	-	-	267
Equity shares	-	-	26	26
Corporate debentures and bonds	-	6	-	6
Government securities	3,072	-	-	3,072
Certificate of deposits	-	74	-	74
Derivative financial assets	-	81	-	81
Total	**3,339**	**161**	**26**	**3,526**
Financial liabilities:				
Other financial liabilities	-	-	28	28
Derivative financial liabilities	-	23	-	23
Total	**-**	**23**	**28**	**51**

Reconciliation of level 3 fair value measurement is as follows:

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	(In millions of USD)		
Balance at the beginning of the year	26	26	9
Additions during the year	-	-	18
Disposals during the year	(4)	-	-
Exchange loss	-	-	(1)
Balance at the end of the year	**22**	**26**	**26**

(b) Derivative financial instruments and hedging activity

TCS Limited's revenue is denominated in foreign currency predominantly US Dollar, Sterling Pound and Euro. In addition to these currencies, TCS Limited 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 TCS Limited to currency fluctuations.

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

Tata Consultancy Services Limited 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. Tata Consultancy Services Limited and its subsidiaries can enter into contracts for a period between one day and eight years.

Tata Consultancy Services Limited 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 foreign exchange forward contracts, which have been designated as cash flow hedges as at:

	March 31, 2017		
Foreign currency	**No. of contracts**	**Notional amount of forward contracts (In millions)**	**Fair value (In millions of USD)**
Sterling Pound	5	125	1
Euro	3	91	2

	March 31, 2016		
Foreign currency	**No. of contracts**	**Notional amount of forward contracts (In millions)**	**Fair value (In millions of USD)**
Sterling Pound	-	-	-
Euro	-	-	-

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

	March 31, 2017		
Foreign currency	**No. of contracts**	**Notional amount of currency option contracts (In millions)**	**Fair value (In millions of USD)**
US Dollar	6	150	1
Sterling Pound	45	318	9
Australian Dollar	6	60	2
Euro	27	198	6

	March 31, 2016		
Foreign currency	**No. of contracts**	**Notional amount of currency option contracts (In millions)**	**Fair value (In millions of USD)**
US Dollar	9	225	6
Sterling Pound	8	160	8
Australian Dollar	21	228	(2)
Euro	24	285	3

The movement in accumulated other comprehensive income for the years ended March 31, 2017, 2016 and 2015 for derivatives designated as cash flow hedges is as follows:

	Year ended March 31, 2017		Year ended March 31, 2016		Year ended March 31, 2015	
	Intrinsic value	Time value	Intrinsic value	Time value	Intrinsic value	Time value
			(In millions of USD)			
Balance at the beginning of the year	**1**	**(8)**	**11**	**(5)**	**(6)**	**(4)**
(Gain) / Loss transferred to profit or loss on occurrence of forecasted hedge transactions	(111)	35	(49)	48	(126)	71
Deferred tax on (gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions	16	(5)	6	(6)	15	(10)
Change in the fair value of effective portion of cash flow hedges	116	(35)	38	(52)	146	(73)
Deferred tax on fair value of effective portion of cash flow hedges	(16)	5	(5)	7	(18)	11
Balance at the end of the year	**6**	**(8)**	**1**	**(8)**	**11**	**(5)**

In addition to the above cash flow hedges, TCS Limited has outstanding foreign exchange forwards, currency option and futures contracts with notional amounts aggregating $2,955 million and $3,343 million, whose fair value showed a net gain of $64 million and $43 million as at March 31, 2017 and 2016, respectively. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange gain of $229 million, $26 million and $221 million on foreign exchange forward exchange contracts and currency option and futures contracts have been recognised in statements of profit or loss in fiscals 2017, 2016 and 2015, respectively.

Net gain on derivative instruments of $13 million, recognised in accumulated other comprehensive income as at March 31, 2017, is expected to be reclassified into statement of profit or loss by March 31, 2018. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2017.

Net foreign exchange gains include gain of $76 million, $1 million and $55 million transferred from cash flow hedging reserve for the years ended March 31, 2017, 2016 and 2015, respectively.

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

	Year ended Mar 31, 2017	Year ended Mar 31, 2016	Year ended Mar 31, 2015
	(In millions of USD)		
10% Appreciation of the underlying foreign currencies	(34)	(36)	(8)
10% Depreciation of the underlying foreign currencies	122	94	96

(c) Financial risk management:

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

i. Market risk

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

i. (a) Foreign currency exchange rate risk

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

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound, Australian Dollar, Singapore Dollar, Saudi Arabian Riyal, Danish Kroner and Brazilian Real against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

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

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

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Tata Consultancy Services Limited as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note 24(b).

The following table sets forth information relating to foreign currency exposure as at March 31, 2017:

	USD	EUR	GBP	AUD	SGD	DKK	BRL	SAR	Others*
	(In millions of USD)								
Net financial assets	313	15	37	3	13	1	1	69	110
Net financial liabilities	(33)	(4)	-	(39)	-	(7)	(1)	-	(34)

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's profit before tax by approximately $44 million for the year ended March 31, 2017.

The following table sets forth information relating to foreign currency exposure as at March 31, 2016:

	USD	EUR	GBP	AUD	SGD	DKK	BRL	SAR	Others*
					(In millions of USD)				
Net financial assets	169	19	11	4	4	9	1	-	97
Net financial liabilities	(49)	(1)	(11)	(10)	(4)	-	(2)	(81)	(47)

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's profit before tax by approximately $11 million for the year ended March 31, 2016.

*Others include currencies such as South African Rand, Canadian Dollar, Swiss Franc, Norwegian Kroner etc.

i. (b) Interest rate risk

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

ii. Credit risk

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of $395 million are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of $64 million held with an Indian bank having high quality credit rating which are individually in excess of 10% or more of the Group's total bank deposits in fiscal 2017. None of the other financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was $12,220 million and $9,806 million as at March 31, 2017 and 2016, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments excluding equity and preference investments.

TCS Limited's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as at March 31, 2017 and 2016.

Geographic concentration of credit risk

TCS Limited also has a geographic concentration of trade receivables, net of allowances and unbilled revenue is given below:

	As at March 31, 2017	As at March 31, 2016
	(In %)	
United States of America	44.30	42.90
United Kingdom	13.46	14.97
India	14.71	15.32

Geographical concentration of credit risk is allocated based on the location of the customers.

iii. Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

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

March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
			(In millions of USD)		
Non-derivative financial liabilities:					
Trade and other payables	968	-	-	-	968
Borrowings	34	2	6	3	45
Other financial liabilities	233	2	72	-	307
Total	1,235	4	78	3	1,320
Derivative financial liabilities	3	-	-	-	3
Total	**1,238**	**4**	**78**	**3**	**1,323**

March 31, 2016	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
			(In millions of USD)		
Non-derivative financial liabilities:					
Trade and other payables	1,138	-	-	-	1,138
Borrowings	25	3	5	4	37
Other financial liabilities	326	7	71	2	406
Total	1,489	10	76	6	1,581
Derivative financial liabilities	23	-	-	-	23
Total	**1,512**	**10**	**76**	**6**	**1,604**

25. Segment information

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. TCS Limited’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.

In the current year, the Group has reclassified Hi-Tech segments to the Communication, Media and Technology (previous reported as Telecom, Media and Entertainment) reportable segment and Travel, Transportation and Hospitality to the Retail and Consumer Business (previously reported as Retail and Consumer Packaged Goods). Previous years have been restated accordingly.

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, 2016 and 2015 is as follows:

	Year ended March 31, 2017 (In millions of USD)					
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Consumer Business**	**Communication, Media and Technology**	**Others**	**Total**
Revenue	**7,079**	**1,860**	**3,052**	**2,909**	**2,676**	**17,576**
Segment result	**1,956**	**531**	**855**	**827**	**634**	**4,803**
Depreciation						285
Total Unallocable expenses						**285**
Operating profit						4,518
Other income (net)						624
Profit before taxes						5,142
Income tax expense						1,215
Profit for the year						**3,927**
Depreciation and amortisation	11	-	-	-	-	**11**
Significant non-cash items (allocable)	3	1	2	3	10	**19**
Significant non-cash items (unallocable)						**-**
As at March 31, 2017						
Segment assets						
Allocable assets	1,907	497	807	787	966	4,964
Unallocable assets						11,284
Total assets						**16,248**
Segment liabilities						
Allocable liabilities	263	19	60	67	108	517
Unallocable liabilities						2,055
Total liabilities						**2,572**

Year ended March 31, 2016 (In millions of USD)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	**6,725**	**1,661**	**2,924**	**2,748**	**2,487**	**16,545**
Segment result	**1,958**	**445**	**812**	**790**	**654**	**4,659**
Depreciation						274
Total Unallocable expenses						**274**
Operating profit						4,385
Other income (net)						464
Profit before taxes						4,849
Income tax expense						1,142
Profit for the year						**3,707**
Depreciation and amortisation	14	-	-	-	-	**14**
Significant non-cash items (allocable)	4	1	4	1	11	**21**
Significant non-cash items (unallocable)						**-**
As at March 31, 2016						
Segment assets						
Allocable assets	2,048	426	742	766	941	4,923
Unallocable assets						8,846
Total assets						**13,769**
Segment liabilities						
Allocable liabilities	278	23	42	66	105	514
Unallocable liabilities						2,153
Total liabilities						**2,667**

Year ended March 31, 2015 (In millions of USD)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	**6,298**	**1,508**	**2,638**	**2,679**	**2,331**	**15,454**
Segment result	**1,747**	**366**	**691**	**691**	**513**	**4,008**
Depreciation						281
Total Unallocable expenses						**281**
Operating profit						3,727
Other income (net)						513
Profit before taxes						4,240
Income tax expense						994
Profit for the year						**3,246**
Depreciation and amortisation	14	-	-	-	11	**25**
Significant non-cash items (allocable)	5	1	10	2	11	**29**
Significant non-cash items (unallocable)						**-**

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

Information regarding geographical revenue is as follows:

Geography	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	(In millions of USD)		
Americas (1)	9,846	9,137	8,336
Europe (2)	4,476	4,432	4,367
India	1,105	1,025	997
Others	2,149	1,951	1,754
Total	**17,576**	**16,545**	**15,454**

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:

Geography	As at March 31, 2017	As at March 31, 2016
	(In millions of USD)	
Americas (3)	370	351
Europe (4)	229	237
India	2,452	2,397
Others	164	181
Total	**3,215**	**3,166**

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 $2,444 million, $2,617 million and $2,579 million for the years ended March 31, 2017, 2016 and 2015, respectively.
iii. (4) includes non-current assets from operations in the United Kingdom of $69 million and $82 million as at March 31, 2017 and 2016, respectively.

Information about major customers:

No single customer represents 10% or more of the Group’s total revenue in fiscals 2017, 2016 and 2015.

26. Commitments and contingencies

Commitments and contingent liabilities are as follows:

Capital commitments

As at March 31, 2017, $232 million was contractually committed for purchase of property, plant and equipment.

Contingencies

Direct tax matters

Refer note 15.

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 at March 31, 2017, Tata Consultancy Services Limited and its subsidiaries in India have demands on appeal amounting to $44 million 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 $1 million, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

Other claims

TCS Limited 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 at March 31, 2017, claims aggregating $973 million 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 unauthorised download and mis-use of Epic's confidential information and trade secrets. In April 2016, the Company received an unfavorable jury verdict awarding damages totalling $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.

27. List of direct and indirect subsidiaries, place of incorporation and percentage of voting power

Name of the Company	Country of incorporation	% of voting power as at March 31, 2017	% of voting power as at March 31, 2016
Subsidiaries (held directly)			
APTOnline Limited (Formerly APOnline Limited)	India	89.00	89.00
C-Edge Technologies Limited	India	51.00	51.00
Diligenta Limited	UK	100.00	100.00
MP Online Limited	India	89.00	89.00
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00
Tata America International Corporation	USA	100.00	100.00
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00
Tata Consultancy Services Belgium S.A.	Belgium	100.00	100.00
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00
TCS FNS Pty Limited	Australia	100.00	100.00
TCS Iberoamerica SA	Uruguay	100.00	100.00
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00
MahaOnline Limited	India	74.00	74.00
Tata Consultancy Services Qatar S.S.C.	Qatar	100.00	100.00
TCS e-Serve International Limited	India	100.00	100.00
TCS Foundation	India	100.00	100.00
CMC Americas Inc.	USA	100.00	100.00
Subsidiaries (held indirectly)			
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00
Tata Consultancy Services (China) Co., Ltd. (w.e.f. December 29, 2016)	China	93.20	90.00
TCS Solution Center S.A.	Uruguay	100.00	100.00
Tata Consultancy Services Argentina S.A.	Argentina	99.99	99.99
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00
TCS Italia SRL	Italy	100.00	100.00
Tata Consultancy Services Japan, Ltd.	Japan	51.00	51.00
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00
Tata Consultancy Services Portugal Unipessoal Limitada	Portugal	100.00	100.00
TCS Inversiones Chile Limitada	Chile	99.99	99.99
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00

Name of the Company	Country of incorporation	% of voting power as at March 31, 2017	% of voting power as at March 31, 2016
TCS Financial Solutions Australia Holdings Pty Limited	Australia	100.00	100.00
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00
PT Financial Network Services (w.e.f. March 16, 2017)	Indonesia	-	100.00
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00
Tata Consultancy Services France S.A.S.	France	100.00	100.00
Tata Consultancy Services (South Africa) (PTY) Ltd. (w.e.f. July 28, 2016)	South Africa	100.00	75.00
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00
TCS e-Serve America, Inc.	USA	100.00	100.00
TCS Uruguay S. A.	Uruguay	100.00	100.00
MGDC S.C.	Mexico	100.00	100.00
Diligenta 2 Limited (w.e.f. March 14, 2017)	UK	-	100.00
MS CJV Investments Corporation (w.e.f. January 24, 2017)	USA	-	100.00
CMC eBiz Inc.	USA	100.00	100.00
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00
Tata Consultancy Services Danmark ApS	Denmark	100.00	100.00
Alti S.A.	France	100.00	100.00
Planaxis Technologies Inc.	Canada	100.00	100.00
Alti HR S.A.S.	France	100.00	100.00
Alti Infrastructures Systemes & Reseaux S.A.S.	France	100.00	100.00
Alti NV	Belgium	100.00	100.00
Tescom (France) Software Systems Testing S.A.R.L.	France	100.00	100.00
Alti Switzerland S.A.	Switzerland	100.00	100.00
Teamlink	Belgium	100.00	100.00
Tata Consultancy Services Saudi Arabia	Saudi Arabia	76.00	76.00
Technology Outsourcing S.A.C.	Peru	100.00	100.00

28. Related party transactions

Tata Consultancy Services Limited's principal related parties consist of its holding company Tata Sons Limited and its subsidiaries, its own subsidiaries, affiliates and its key managerial personnel. TCS Limited routinely enters into transactions with its related parties in the ordinary course of business.

Transactions and balances with its own subsidiaries are eliminated on consolidation.

Transactions with related parties are as follows:

	Year ended March 31, 2017				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited and its subsidiaries	With other related parties	Total
			(In millions of USD)		
Revenue from sale of services and licences	1	37	322	-	360
Purchases of goods and services (including reimbursement)	1	83	94	-	178
Brand equity contribution	23	-	-	-	23
Dividend paid	1,000	1	-	-	1,001
Purchase of property, plant and equipment	-	3	5	-	8
Contribution to employees post employment benefit plans	-	-	-	153	153
Allowances / (write back) for doubtful accounts receivables and advances (net)	-	1	1	-	2
Rent expense	-	5	1	-	6
Loans and advances given	-	-	1	-	1

	Year ended March 31, 2016				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited and its subsidiaries	With other related parties	Total
			(In millions of USD)		
Revenue from sale of services and licences	1	34	329	-	364
Purchases of goods and services (including reimbursement)	1	96	75	-	172
Brand equity contribution	20	-	-	-	20
Dividend paid	890	1	-	-	891
Purchase of property, plant and equipment	-	5	9	-	14
Contribution to employees post employment benefit plans	-	-	-	126	126
Rent expense	-	4	1	-	5

	Year ended March 31, 2015				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited and its subsidiaries	With other related parties	Total
	(In millions of USD)				
Revenue from sale of services and licences	-	40	325	-	365
Interest income	8	5	4	-	17
Purchases of goods and services (including reimbursement)	-	44	66	-	110
Brand equity contribution	20	-	-	-	20
Dividend paid	1,767	2	-	-	1,769
Purchase of property, plant and equipment	-	11	15	-	26
Inter-corporate deposits realisation	-	63	17	-	80
Contribution to employees post employment benefit plans	-	-	-	192	192
Interest expense	5	-	-	-	5
Rent expense	-	1	5	-	6
Purchase of investments	-	12	-	-	12
Redemption of investments	5	2	1	-	8

Balances receivable from related parties are as follows:

	As at March 31, 2017			
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited and its subsidiaries	Total
	(In millions of USD)			
Trade receivables and unbilled revenue (net)	-	20	97	117
Loans and advances, other financial assets and other assets	-	4	2	6
Investments	-	3	-	3
Total	**-**	**27**	**99**	**126**

	As at March 31, 2016			
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited and its subsidiaries	Total
	(In millions of USD)			
Trade receivables and unbilled revenue (net)	-	17	94	111
Loans and advances, other financial assets and other assets	-	-	1	1
Investments	-	3	-	3
Total	**-**	**20**	**95**	**115**

Balances payable to related parties are as follows:

	As at March 31, 2017			
	With Tata Sons Limited	**With subsidiaries of Tata Sons Limited**	**With associates / joint ventures of Tata Sons Limited and its subsidiaries**	**Total**
	(In millions of USD)			
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	21	4	23	48
Total	**21**	**4**	**23**	**48**
Commitments	-	4	11	15

	As at March 31, 2016			
	With Tata Sons Limited	**With subsidiaries of Tata Sons Limited**	**With associates / joint ventures of Tata Sons Limited and its subsidiaries**	**Total**
	(In millions of USD)			
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	18	3	13	34
Total	**18**	**3**	**13**	**34**
Commitments	-	4	9	13

Compensation of key management personnel is as follows:

	Year ended March 31, 2017	**Year ended March 31, 2016**	**Year ended March 31, 2015**
	(In millions of USD)		
Short-term benefits	7	7	4
Dividend paid during the year	-*	-*	-*
Total	**7**	**7**	**4**

*Amount less than $1 million.

29. Dividends

Dividends paid during fiscal 2017 include an amount of $0.40 (₹27) per equity share towards final dividend for fiscal 2016 and an amount of $0.30 (₹19.5) per equity share towards interim dividend for fiscal 2017. Dividends paid during fiscal 2016 include an amount of $0.37 (₹24) per equity share towards final dividend for fiscal 2015 and an amount of $0.25 (₹16.5) per equity share towards interim dividend for fiscal 2016.

The dividends declared by Tata Consultancy Services Limited are in Indian Rupees and are based on the profits available for distribution as reported in the unconsolidated statutory financial statements of Tata Consultancy Services Limited prepared in accordance with Ind AS. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As at March 31, 2017, income (net of dividend tax) available for distribution was $9,294 million (₹62,383 crores). On April 18, 2017, the Board of Directors of Tata Consultancy Services Limited have proposed a final dividend of $0.43 (₹27.5) per share in respect of fiscal 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately $1,012 million, inclusive of corporate dividend tax of $171 million.