Consolidated Financial Statements

Independent Auditor's Report

To the Members of
Tata Consultancy Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tata Consultancy Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition– Fixed price contracts where revenue is recognized using percentage of completion method	
See Note 5(a) and Note 12 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group inter alia engages in Fixed-price contracts, wherein, revenue is recognized using the percentage of completion computed as per the input method based on the Group's estimate of contract costs. We identified revenue recognition of fixed price contracts where the percentage of completion is used as a key audit matter since- • there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognised considering the customised and complex nature of these contracts and significant inputs of IT systems	Our audit procedures included the following: • Obtained an understanding of the systems, processes and controls implemented by the Group for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances. • Involvement of our Information technology('IT') specialists, as required: ➢ Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised; ➢ Tested the IT controls over appropriateness of cost and revenue reports generated by the system;

The key audit matter	How the matter was addressed in our audit
• application of revenue recognition accounting standard (Ind AS 115, Revenue from Contracts with customers) is complex and involves a number of key judgments and estimates in mainly identifying performance obligations, related transaction price and estimating the future cost-to- completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation; • these contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Group; and • at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet.	➢ Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorized recording/ changes to costs incurred; and ➢ Tested on a random sampling basis the controls relating to the estimation of contract costs required to complete the respective projects. • On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard including – ➢ Evaluated the identification of performance obligations and the ascribed transaction price; ➢ For testing the Group's computation of the estimation of contract costs and onerous obligations, if any. We: • assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel; • performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract; • assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and • inspected underlying documents and performed analytics to determine reasonableness of contract costs.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual report, but does not include the financial statements and auditor's reports thereon. The Holding Company's Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other companies included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 1 April 2024 to 10 April 2024 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2024 to 10 April 2024, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer income tax liabilities disclosed in the consolidated balance sheet along with Note 20 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India during the year ended 31 March 2024.

d. (i) The management of the Holding Company represented that, to the best of their knowledge and belief, as disclosed in the Note 23 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company represented that, to the best of their knowledge and belief, as disclosed in the Note 23 to the consolidated financial statements, no funds have been received by the Holding Company or any of its subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Holding Company and its subsidiary companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 30 to the financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, and as communicated by the respective auditor of three subsidiaries, except for the instances mentioned below, the Holding Company and its subsidiary companies incorporated in India have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

i. In case of the Holding Company and its three subsidiary companies incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll and certain non-editable fields/ tables of the accounting software used for maintaining general ledger.

ii. In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account relating to consolidation.

iii. In case of the Holding Company and its three subsidiary companies incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting softwares relating to revenue, trade receivables and general ledger for the period 1 April 2023 to 13 November 2023 and relating to property, plant and equipment for the period 1 April 2023 to 14 December 2023. Further, in case of a subsidiary incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software relating to payroll for the period 1 April 2023 to 15 February 2024.

iv. In case of a subsidiary incorporated in India, as communicated by the auditor of such subsidiary, the feature of recording audit trail (edit log) facility of the accounting software used for maintaining general ledger was not enabled for the period 1 April 2023 to 30 April 2023.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The subsidiary companies incorporated in India have not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Amit Somani
Partner
Membership No: 060154
ICAI UDIN: 24060154BKFDHA1961

Place : Mumbai
Date : 12 April 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Tata Consultancy Services Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, the Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks. In respect of the following entities the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report:

Name of the Subsidiaries	CIN
MP Online Limited	U72400MP2006PLC018777
APT Online Limited	U75142TG2002PLC039671
C-Edge Technologies Limited	U72900MH2006PLC159038
Mahaonline Limited	U72900MH2010PLC206026
TCS e-Serve International Limited	U72300MH2007PLC240002

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

Amit Somani
Partner
Membership No: 060154
ICAI UDIN: 24060154BKFDHA1961

Place : Mumbai
Date : 12 April 2024

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of Tata Consultancy Services Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2A(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Tata Consultancy Services Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Companies Act 2013, which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Amit Somani
Partner
Membership No: 060154
ICAI UDIN: 24060154BKFDHA1961

Place : Mumbai
Date : 12 April 2024

Consolidated Balance Sheet

(₹ crore)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	10(a)	9,376	10,230
Capital work-in-progress	10(a)	1,564	1,234
Right-of-use assets	9	7,886	7,560
Goodwill	10(b)	1,832	1,858
Other intangible assets	10(c)	510	867
Financial assets			
Investments	8(a)	281	266
Trade receivables			
Billed	8(b)	127	149
Unbilled		16	199
Loans	8(e)	2	173
Other financial assets	8(f)	3,272	2,149
Deferred tax assets (net)	17	3,403	3,307
Income tax assets (net)		1,600	2,583
Other assets	10(d)	3,596	2,806
Total non-current assets		**33,465**	**33,381**
Current assets			
Inventories	10(e)	28	28
Financial assets			
Investments	8(a)	31,481	36,897
Trade receivables			
Billed	8(b)	44,434	41,049
Unbilled		9,143	8,905
Cash and cash equivalents	8(c)	9,016	7,123
Other balances with banks	8(d)	4,270	3,909
Loans	8(e)	491	1,325
Other financial assets	8(f)	1,703	1,319
Income tax assets (net)		151	8
Other assets	10(d)	12,267	9,707
Total current assets		**1,12,984**	**1,10,270**
TOTAL ASSETS		**1,46,449**	**1,43,651**
EQUITY AND LIABILITIES			
Equity			
Share capital	8(m)	362	366
Other equity		90,127	90,058
Equity attributable to shareholders of the Company		**90,489**	**90,424**
Non-controlling interests		830	782
Total equity		**91,319**	**91,206**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		6,516	6,203
Other financial liabilities	8(h)	365	353
Employee benefit obligations	14	686	536
Deferred tax liabilities (net)	17	977	792
Unearned and deferred revenue		482	1,003
Total non-current liabilities		**9,026**	**8,887**
Current liabilities			
Financial liabilities			
Lease liabilities		1,505	1,485
Trade payables	8(g)	9,981	10,515
Other financial liabilities	8(h)	8,362	9,068
Unearned and deferred revenue		3,640	3,843
Other liabilities	10(f)	6,524	4,892
Provisions	10(g)	140	345
Employee benefit obligations	14	4,519	4,065
Income tax liabilities (net)		11,433	9,345
Total current liabilities		**46,104**	**43,558**
TOTAL EQUITY AND LIABILITIES		**1,46,449**	**1,43,651**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Mumbai, April 12, 2024

For and on behalf of the Board

K Krithivasan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Samir Seksaria
CFO

Pradeep Manohar Gaitonde
Company Secretary

Mumbai, April 12, 2024

Consolidated Statement of Profit and Loss

(₹ crore)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	12	2,40,893	2,25,458
Other income	13	4,422	3,449
TOTAL INCOME		**2,45,315**	**2,28,907**
Expenses			
Employee benefit expenses	14	1,40,131	1,27,522
Cost of equipment and software licences	15(a)	3,702	1,881
Finance costs	16	778	779
Depreciation and amortisation expense		4,985	5,022
Other expenses	15(b)	32,764	36,796
TOTAL EXPENSES		**1,82,360**	**1,72,000**
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		62,955	56,907
Exceptional item			
Settlement of legal claim	20	958	-
PROFIT BEFORE TAX		**61,997**	**56,907**
Tax expense			
Current tax	17	15,864	14,757
Deferred tax	17	34	(153)
TOTAL TAX EXPENSE		**15,898**	**14,604**
PROFIT FOR THE YEAR		**46,099**	**42,303**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(2)	350
Net change in fair values of investments in equity shares carried at fair value through OCI		(6)	(2)
Income tax on items that will not be reclassified subsequently to profit or loss		(11)	(75)
Items that will be reclassified subsequently to profit or loss			
Net change in fair values of investments other than equity shares carried at fair value through OCI		237	(679)
Net change in intrinsic value of derivatives designated as cash flow hedges		1	(25)
Net change in time value of derivatives designated as cash flow hedges		13	32
Exchange differences on translation of financial statements of foreign operations		44	655
Income tax on items that will be reclassified subsequently to profit or loss		(39)	236
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**237**	**492**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**46,336**	**42,795**
Profit for the year attributable to:			
Shareholders of the Company		45,908	42,147
Non-controlling interests		191	156
		46,099	**42,303**
Other comprehensive income for the year attributable to:			
Shareholders of the Company		299	493
Non-controlling interests		(62)	(1)
		237	**492**
Total comprehensive income for the year attributable to:			
Shareholders of the Company		46,207	42,640
Non-controlling interests		129	155
		46,336	**42,795**
Earnings per equity share:- Basic and diluted (₹)	18	125.88	115.19
Weighted average number of equity shares		364,68,51,755	365,90,51,373

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Mumbai, April 12, 2024

For and on behalf of the Board

K Krithivasan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Samir Seksaria
CFO

Pradeep Manohar Gaitonde
Company Secretary

Mumbai, April 12, 2024

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year*	Balance as at March 31, 2024
366	-	366	(4)	362

(₹ crore)

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
366	-	366	-	366

*Refer note 8(m).

B. OTHER EQUITY

(₹ crore)

	Reserves and surplus					Items of other comprehensive income				Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
	Capital reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Statutory reserve	Investment revaluation reserve	Cash flow hedging reserve		Foreign currency translation reserve			
							Intrinsic value	Time value				
Balance as at April 1, 2023	**75**	**440**	**11,809**	**74,722**	**143**	**41**	**8**	**(28)**	**2,848**	**90,058**	**782**	**90,840**
Profit for the year	-	-	-	45,908	-	-	-	-	-	45,908	191	46,099
Other comprehensive income / (losses)	-	-	-	(13)	-	194	1	10	107	299	(62)	237
Total comprehensive income	**-**	**-**	**-**	**45,895**	**-**	**194**	**1**	**10**	**107**	**46,207**	**129**	**46,336**
Dividend	-	-	-	(25,137)	-	-	-	-	-	(25,137)	(81)	(25,218)
Expenses for buy-back of equity shares[1]	-	-	-	(46)	-	-	-	-	-	(46)	-	(46)
Tax on buy-back of equity shares[1]	-	-	-	(3,959)	-	-	-	-	-	(3,959)	-	(3,959)
Buy-back of equity shares[1]	-	4	-	(17,000)	-	-	-	-	-	(16,996)	-	(16,996)
Transfer to Special Economic Zone re-investment reserve	-	-	9,875	(9,875)	-	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	(5,450)	5,450	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	(17)	17	-	-	-	-	-	-	-
Balance as at March 31, 2024	**75**	**444**	**16,234**	**70,033**	**160**	**235**	**9**	**(18)**	**2,955**	**90,127**	**830**	**90,957**
Balance as at April 1, 2022	**75**	**440**	**7,287**	**78,158**	**162**	**488**	**27**	**(53)**	**2,189**	**88,773**	**707**	**89,480**
Profit for the year	-	-	-	42,147	-	-	-	-	-	42,147	156	42,303
Other comprehensive income / (losses)	-	-	-	275	-	(447)	(19)	25	659	493	(1)	492
Total comprehensive income	**-**	**-**	**-**	**42,422**	**-**	**(447)**	**(19)**	**25**	**659**	**42,640**	**155**	**42,795**
Dividend	-	-	-	(41,347)	-	-	-	-	-	(41,347)	(63)	(41,410)
Purchase of non-controlling interests	-	-	-	(8)	-	-	-	-	-	(8)	(17)	(25)
Transfer to Special Economic Zone re-investment reserve	-	-	8,380	(8,380)	-	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	(3,858)	3,858	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	19	(19)	-	-	-	-	-	-	-
Balance as at March 31, 2023	**75**	**440**	**11,809**	**74,722**	**143**	**41**	**8**	**(28)**	**2,848**	**90,058**	**782**	**90,840**

[1]Refer note 8(m).

Loss of ₹13 crore and gain of ₹275 crore on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2024 and 2023, respectively.

Total equity (primarily retained earnings) includes ₹1,612 crore and ₹1,601 crore as at March 31, 2024 and 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Nature and purpose of reserves

(a) Capital reserve
The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

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

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

(d) Retained earnings
This reserve represents undistributed accumulated earnings of the Group as on the balance sheet date.

(e) Statutory reserve
Statutory reserves are created to adhere to requirements of applicable laws and will be utilised in accordance with the said laws.

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

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

(h) Foreign currency translation reserve
The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Mumbai, April 12, 2024

For and on behalf of the Board

K Krithivasan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Samir Seksaria
CFO

Pradeep Manohar Gaitonde
Company Secretary

Mumbai, April 12, 2024

Consolidated Statement of Cash Flows

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	46,099	42,303
Adjustments for:		
Depreciation and amortisation expense	4,985	5,022
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	114	140
Tax expense	15,898	14,604
Net (gain) / loss on lease modification	(7)	2
Unrealised foreign exchange gain	(17)	(189)
Net gain on disposal of property, plant and equipment	(7)	(26)
Net gain on disposal / fair valuation of investments	(312)	(224)
Interest income	(3,781)	(3,248)
Dividend income	(41)	(15)
Finance costs	778	779
Operating profit before working capital changes	**63,709**	**59,148**
Net change in		
Inventories	-	(8)
Trade receivables		
Billed	(3,327)	(6,501)
Unbilled	(5)	(1,182)
Loans and other financial assets	(301)	261
Other assets	(3,160)	(25)
Trade payables	(632)	2,036
Unearned and deferred revenue	(740)	39
Other financial liabilities	(695)	1,417
Other liabilities and provisions	1,978	(254)
Cash generated from operations	**56,827**	**54,931**
Taxes paid (net of refunds)	(12,489)	(12,966)
Net cash generated from operating activities	**44,338**	**41,965**
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(9,471)	(4,548)
Inter-corporate deposits placed	-	(8,293)
Purchase of investments#	(141,011)	(129,745)
Payment for purchase of property, plant and equipment	(2,202)	(2,532)
Payment including advances for acquiring right-of-use assets	(30)	(213)
Payment for purchase of intangible assets	(442)	(355)
Proceeds from bank deposits	8,089	6,252
Proceeds from inter-corporate deposits	846	13,654
Proceeds from disposal / redemption of investments#	1,47,204	1,22,687
Proceeds from sub-lease receivable	3	2
Proceeds from disposal of property, plant and equipment	17	37

Consolidated Statement of Cash Flows

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Proceeds from disposal of intangible assets	7	-
Interest received	2,990	3,080
Dividend received	26	13
Net cash generated from investing activities	**6,026**	**39**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,614)	(1,515)
Interest paid	(699)	(779)
Dividend paid	(25,137)	(41,347)
Dividend paid to non-controlling interests	(81)	(63)
Transfer of funds to buy-back escrow account	(425)	-
Transfer of funds from buy-back escrow account	425	18
Expenses for buy-back of equity shares (Refer note 8(m))	(46)	-
Tax on buy-back of equity shares (Refer note 8(m))	(3,959)	(4,192)
Buy-back of equity shares (Refer note 8(m))	(17,000)	-
Net cash used in financing activities	**(48,536)**	**(47,878)**
Net change in cash and cash equivalents	**1,828**	**(5,874)**
Cash and cash equivalents at the beginning of the year	7,123	12,488
Exchange difference on translation of foreign currency cash and cash equivalents	65	509
Cash and cash equivalents at the end of the year	**9,016**	**7,123**
Components of cash and cash equivalents		
Balances with banks		
In current accounts	2,804	2,114
In deposit accounts	6,212	4,999
Cheques on hand	-*	-*
Cash on hand	-*	-*
Remittances in transit	-*	10
	9,016	**7,123**

*Represents values less than ₹0.50 crore.

#Purchase of investments include ₹297 crore and ₹165 crore for the years ended March 31, 2024 and 2023, respectively, and proceeds from disposal / redemption of investments include ₹163 crore and ₹161 crore for the years ended March 31, 2024 and 2023, respectively, held by trusts and TCS Foundation held for specified purposes.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Mumbai, April 12, 2024

For and on behalf of the Board

K Krithivasan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Samir Seksaria
CFO

Pradeep Manohar Gaitonde
Company Secretary

Mumbai, April 12, 2024

Notes forming part of Consolidated Financial Statements

1) Corporate information

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

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai- 400001. As at March 31, 2024, Tata Sons Private Limited, the holding company owned 71.74% of the Company’s equity share capital.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2024 and authorised for issue on April 12, 2024.

2) Statement of compliance

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

3) Basis of preparation

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

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

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The material accounting policy information related to preparation of the consolidated financial statements have been discussed in the respective notes.

4) Basis of consolidation

The Company consolidates all entities which are controlled by it.

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

Entities controlled by the Company 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.

The financial statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, 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.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative

Notes forming part of Consolidated Financial Statements

amount of exchange differences related to that foreign operation recognised in OCI is reclassified to statement of profit and loss as part of the gain or loss on disposal.

5) Use of estimates and judgements

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

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

The Group uses the following critical accounting judgements, estimates and assumptions in preparation of its consolidated financial statements:

(a) Revenue recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Group estimates the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

The Group exercises judgement for identification of performance obligations, determination of transaction price, ascribing the transaction price to each distinct performance obligation and in determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the revenue recognition note (Refer note 12).

(b) Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods (Refer note 10(a)).

(c) Impairment of goodwill

The Group estimates 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 are developed using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies (Refer note 10(b)).

(d) Fair value measurement of financial instruments

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

(e) Impairment of financial assets (other than at fair value)

Measurement of impairment of financial assets require use of estimates, which have been explained in the note on financial assets, financial liabilities and equity instruments, under impairment of financial assets (other than at fair value) (Refer note 8)).

(f) Provision for income tax and deferred tax assets

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

(g) Provisions and contingent liabilities

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

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

(h) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions have been explained under employee benefits note (Refer note 14).

Notes forming part of Consolidated Financial Statements

(i) Leases

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

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

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

6) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

7) Business combinations

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

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

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

Business combinations arising from transfers of interests in entities that are under 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 is recorded in shareholders' equity.

8) Financial assets, financial liabilities and equity instruments

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

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

Cash and cash equivalents

The Group considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

Notes forming part of Consolidated Financial Statements

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

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

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

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

Derivative accounting

- **Instruments in hedging relationship**
  The Group designates certain foreign exchange forward, currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

  The Group uses hedging instruments that are governed by the financial risk management policy as approved by the Risk Management Committee. The policy provides principles on the use of such financial derivatives consistent with the risk management strategy of the company and its subsidiaries. While determining the appropriate hedge ratio, the Group takes into consideration the prevailing macro-economic conditions, the availability and liquidity of the hedging instruments, tolerance levels for hedge ineffectiveness and the costs of hedging. The hedging activities are reviewed by the Risk Management Committee every quarter and future course of action is determined.

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

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

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

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

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

Impairment of financial assets (other than at fair value)
The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowance for expected credit losses, 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 allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes forming part of Consolidated Financial Statements

(a) Investments

Investments consist of the following:

Investments – Non-current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Investments designated at fair value through OCI		
Fully paid equity shares		
Mozido LLC (unquoted)	83	82
FCM LLC (unquoted)	63	62
Taj Air Limited (unquoted)	19	19
Philippine Dealing System Holdings Corporation (unquoted)	8	7
LATAM Airlines Group S.A. (quoted)	1	-
Less: Impairment in value of investments	(142)	(134)
Investments carried at amortised cost		
Government bonds and securities (quoted)	188	188
Corporate bonds (quoted)	61	42
	281	**266**

Investments – Non-current includes ₹249 crore and ₹229 crore as at March 31, 2024 and 2023, respectively, pertaining to trusts held for specified purposes.

Investments – Current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	2,360	2,296
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	24,746	26,128
Corporate bonds (quoted)	3,406	3,110
Investments carried at amortised cost		
Corporate bonds (quoted)	30	10
Certificate of deposits (quoted)	-	2,955
Commercial papers (quoted)	939	2,398
	31,481	**36,897**

Investments – Current includes ₹196 crore and ₹68 crore as at March 31, 2024 and 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Government bonds and securities includes bonds pledged with bank for credit facility amounting to NIL and ₹1,650 crore as at March 31, 2024 and 2023, respectively.

Aggregate value of quoted and unquoted investments is as follows:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Aggregate value of quoted investments	31,731	37,127
Aggregate value of unquoted investments (net of impairment)	31	36
Aggregate market value of quoted investments	31,729	37,121
Aggregate value of impairment of investments	142	134

Notes forming part of Consolidated Financial Statements

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

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Government bonds and securities	186	186
Corporate bonds	91	50
Certificate of deposits	-	2,951
Commercial papers	939	2,400

Equity instruments designated at fair value through OCI are as follows:

(₹ crore)

In Numbers	Currency	Face value per share	Equity instruments designated at fair value through OCI	As at March 31, 2024	As at March 31, 2023
			Fully paid equity shares		
1,00,00,000	USD	1	Mozido LLC (unquoted)	83	82
15	USD	5,00,000	FCM LLC (unquoted)	63	62
1,90,00,000	INR	10	Taj Air Limited (unquoted)	19	19
5,00,000	PHP	100	Philippine Dealing System Holdings Corporation (unquoted)	8	7
66,05,679	CLP	1	LATAM Airlines Group S.A. (quoted)	1	-
			Less: Impairment in value of investments	(142)	(134)
				32	**36**

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

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**41**	**488**
Net loss arising on revaluation of financial assets carried at fair value	(6)	(2)
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	248	(676)
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(40)	233
Net cumulative gain reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	(11)	(3)
Deferred tax relating to net cumulative gain reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	3	1
Balance at the end of the year	**235**	**41**

(b) Trade receivables – Billed

Trade receivables- Billed (unsecured) consist of the following:

Trade receivables - Billed – Non-current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Trade receivables- Billed	765	824
Less: Allowance for expected credit losses	(638)	(675)
Considered good	**127**	**149**

Notes forming part of Consolidated Financial Statements

Ageing for trade receivables – non-current outstanding as at March 31, 2024 is as follows:

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	-	-	-	55	86	590	731
Disputed trade receivables – considered good	-	-	-	2	-	32	34
	-	**-**	**-**	**57**	**86**	**622**	**765**
Less: Allowance for expected credit losses							**(638)**
							127
Trade receivables - Unbilled							**16**
							143

Ageing for trade receivables – non-current outstanding as at March 31, 2023 is as follows:

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	-	-	-	71	83	638	792
Disputed trade receivables – considered good	-	-	-	-	8	24	32
	-	**-**	**-**	**71**	**91**	**662**	**824**
Less: Allowance for expected credit losses							**(675)**
							149
Trade receivables - Unbilled							**199**
							348

Trade receivables - Billed – Current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Trade receivables- Billed	44,722	41,244
Less: Allowance for expected credit losses	(365)	(297)
Considered good	**44,357**	**40,947**
Trade receivables- Billed	264	343
Less: Allowance for expected credit losses	(187)	(241)
Credit impaired	**77**	**102**
	44,434	**41,049**

Notes forming part of Consolidated Financial Statements

Ageing for trade receivables – current outstanding as at March 31, 2024 is as follows:

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	38,188	4,952	889	383	6	279	44,697
Undisputed trade receivables – credit impaired	-	6	19	62	18	159	264
Disputed trade receivables – considered good	-	-	-	-	-	25	25
	38,188	**4,958**	**908**	**445**	**24**	**463**	**44,986**
Less: Allowance for expected credit losses							**(552)**
							44,434
Trade receivables - Unbilled							**9,143**
							53,577

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows:

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	36,529	3,360	889	119	53	256	41,206
Undisputed trade receivables – credit impaired	65	42	2	24	36	170	339
Disputed trade receivables – considered good	-	-	12	1	-	25	38
Disputed trade receivables – credit impaired	-	-	-	-	1	3	4
	36,594	**3,402**	**903**	**144**	**90**	**454**	**41,587**
Less: Allowance for expected credit losses							**(538)**
							41,049
Trade receivables - Unbilled							**8,905**
							49,954

Above balances of trade receivables- billed includes balances with related parties (Refer note 22).

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	2,804	2,114
In deposit accounts	6,212	4,999
Cheques on hand	-*	-*
Cash on hand	-*	-*
Remittances in transit	-*	10
	9,016	**7,123**

*Represents value less than ₹0.50 crore.

Balances with banks in current accounts include ₹9 crore and ₹8 crore as at March 31, 2024 and 2023, respectively, pertaining to trusts held for specified purposes.

Notes forming part of Consolidated Financial Statements

(d) Other balances with banks

Other balances with banks consist of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks	471	685
Short-term bank deposits	3,799	3,224
	4,270	**3,909**

Earmarked balances with banks primarily relate to margin money for purchase of investments, unclaimed dividends and liquidity backstop as a part of regulatory requirements.

Short-term bank deposits include ₹517 crore and ₹425 crore as at March 31, 2024 and 2023, respectively, pertaining to TCS foundation held for specified purposes.

(e) Loans

Loans (unsecured) consist of the following:

Loans – Non-current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Considered good		
Inter-corporate deposits	-	170
Loans to employees	2	3
	2	**173**

Loans – Current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Considered good		
Inter-corporate deposits	170	846
Loans to employees	321	479
Credit impaired		
Loans to employees	-	32
Less: Allowance for loans to employees	-	(32)
	491	**1,325**

Inter-corporate deposits placed with financial institutions yield fixed interest rate. Inter-corporate deposits include ₹110 crore and ₹932 crore as at March 31, 2024 and 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(f) Other financial assets

Other financial assets consist of the following:

Other financial assets – Non-current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Security deposits	749	614
Earmarked balances with banks	213	192
Long-term bank deposits	2,248	1,334
Interest receivable	62	2
Others	-	7
	3,272	**2,149**

Notes forming part of Consolidated Financial Statements

Other financial assets - Current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Security deposits	339	378
Fair value of foreign exchange derivative assets	141	191
Interest receivable	764	720
Advances to employees	368	-
Less: Allowance for advances to employees	(43)	-
Others	134	30
	1,703	**1,319**

Long-term bank deposits include ₹1,495 crore and ₹417 crore as at March 31, 2024 and 2023, respectively, pertaining to TCS Foundation held for specified purposes.

Interest receivable includes ₹111 crore and ₹66 crore as at March 31, 2024 and 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(g) Trade payables

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables						
MSME*	82	-	-	-	-	82
Others	1,001	2,025	29	7	43	3,105
Disputed dues- Others	8	11	-	-	30	49
	1091	**2036**	**29**	**7**	**73**	**3,236**
Accrued expenses						**6,745**
						9,981

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables						
Others	1,776	1,903	(2)	11	42	3,730
Disputed dues- Others	-	-	-	-	29	29
	1776	**1903**	**(2)**	**11**	**71**	**3,759**
Accrued expenses						**6,756**
						10,515

Notes forming part of Consolidated Financial Statements

(h) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Non-current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Capital creditors	69	120
Others	296	233
	365	**353**

Others include advance taxes paid of ₹226 crore and ₹226 crore as at March 31, 2024 and 2023, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities, is payable to the seller.

Other financial liabilities – Current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Accrued payroll	5,760	6,847
Unclaimed dividends	53	51
Fair value of foreign exchange derivative liabilities	114	141
Capital creditors	625	731
Liabilities towards customer contracts	1,509	1,137
Others	301	161
	8,362	**9,068**

(i) Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2024 is as follows:

(₹ crore)

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets						
Cash and cash equivalents	-	-	-	-	9,016	9,016
Bank deposits	-	-	-	-	6,047	6,047
Earmarked balances with banks	-	-	-	-	684	684
Investments	2,360	28,184	-	-	1,218	31,762
Trade receivables						
Billed	-	-	-	-	44,561	44,561
Unbilled	-	-	-	-	9,159	9,159
Loans	-	-	-	-	493	493
Other financial assets	-	-	46	95	2,373	2,514
	2,360	**28,184**	**46**	**95**	**73,551**	**1,04,236**
Financial liabilities						
Trade payables	-	-	-	-	9,981	9,981
Lease liabilities	-	-	-	-	8,021	8,021
Other financial liabilities	-	-	-	114	8,613	8,727
	-	**-**	**-**	**114**	**26,615**	**26,729**

Loans include inter-corporate deposits of ₹170 crore, with original maturity period within 24 months.

Notes forming part of Consolidated Financial Statements

The carrying value of financial instruments by categories as at March 31, 2023 is as follows:

(₹ crore)

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets						
Cash and cash equivalents	-	-	-	-	7,123	7,123
Bank deposits	-	-	-	-	4,558	4,558
Earmarked balances with banks	-	-	-	-	877	877
Investments	2,296	29,274	-	-	5,593	37,163
Trade receivables						
Billed	-	-	-	-	41,198	41,198
Unbilled	-	-	-	-	9,104	9,104
Loans	-	-	-	-	1,498	1,498
Other financial assets	-	-	37	154	1,751	1,942
	2,296	**29,274**	**37**	**154**	**71,702**	**1,03,463**
Financial liabilities						
Trade payables	-	-	-	-	10,515	10,515
Lease liabilities	-	-	-	-	7,688	7,688
Other financial liabilities	-	-	-	141	9,280	9,421
	-	**-**	**-**	**141**	**27,483**	**27,624**

Loans include inter-corporate deposits of ₹1,016 crore, with original maturity period within 24 months.

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at March 31, 2024 and 2023, approximate the fair value due to their nature. Carrying amounts of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is ₹1,215 crore and ₹5,587 crore as at March 31, 2024 and 2023, respectively.

(j) Fair value hierarchy

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

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

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

Notes forming part of Consolidated Financial Statements

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

(₹ crore)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	2,360	-	-	2,360
Equity shares	1	-	31	32
Government bonds and securities	24,932	-	-	24,932
Corporate bonds	3,497	-	-	3,497
Commercial papers	939	-	-	939
Fair value of foreign exchange derivative assets	-	141	-	141
	31,729	**141**	**31**	**31,901**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	114	-	114
	-	**114**	**-**	**114**

(₹ crore)

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	2,296	-	-	2,296
Equity shares	-	-	36	36
Government bonds and securities	26,314	-	-	26,314
Corporate bonds	3,160	-	-	3,160
Certificate of deposits	2,951	-	-	2,951
Commercial papers	2,400	-	-	2,400
Fair value of foreign exchange derivative assets	-	191	-	191
	37,121	**191**	**36**	**37,348**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	141	-	141
	-	**141**	**-**	**141**

Reconciliation of Level 3 fair value measurement of financial assets is as follows:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**36**	**36**
Impairment in value of investments	(6)	(2)
Translation exchange difference	1	2
Balance at the end of the year	**31**	**36**

(k) Derivative financial instruments and hedging activity

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

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

Notes forming part of Consolidated Financial Statements

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

Foreign currency	As at March 31, 2024			As at March 31, 2023		
	No. of contracts	Notional amount of contracts (In million)	Fair value (₹ crore)	No. of contracts	Notional amount of contracts (In million)	Fair value (₹ crore)
US Dollar	19	475	6	8	225	13
Great Britain Pound	29	230	24	22	200	14
Euro	28	235	16	22	203	10

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

(₹ crore)

	Year ended March 31, 2024		Year ended March 31, 2023	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	**8**	**(28)**	**27**	**(53)**
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	(139)	241	(376)	488
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	31	(55)	90	(144)
Change in the fair value of effective portion of cash flow hedges	140	(228)	351	(456)
Deferred tax on change in the fair value of effective portion of cash flow hedges	(31)	52	(84)	137
Balance at the end of the year	**9**	**(18)**	**8**	**(28)**

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2024 and 2023, the notional amount of outstanding contracts aggregated to ₹50,982 crore and ₹47,500 crore, respectively, and the respective fair value of these contracts have a net loss of ₹19 crore and gain of ₹13 crore.

Exchange gain of ₹109 crore and loss of ₹1,162 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the consolidated statement of profit and loss for the years ended March 31, 2024 and 2023, respectively.

Net foreign exchange gain / (loss) include loss of ₹102 crore and ₹112 crore transferred from cash flow hedging reserve to profit and loss on occurrence of forecasted hedge transactions for the years ended March 31, 2024 and 2023, respectively.

Net loss on derivative instruments of ₹9 crore recognised in cash flow hedging reserve as at March 31, 2024, is expected to be transferred to the statement of profit and loss by March 31, 2025. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2024.

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

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
10% Appreciation of the underlying foreign currencies	-	-
10% Depreciation of the underlying foreign currencies	910	544

(I) Financial risk management

The Group 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.

Notes forming part of Consolidated Financial Statements

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.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the 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 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 of the date of balance sheet which could affect the statement of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note 8(k).

  The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2024:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	2,753	518	161	3,508
Net financial liabilities	(7,129)	(253)	(2,185)	(753)

  10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately ₹338 crore for the year ended March 31, 2024.

  The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2023:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	3,869	262	90	2,136
Net financial liabilities	(11,021)	(657)	(1,536)	(270)

  10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately ₹713 crore for the year ended March 31, 2023.

- **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.

Notes forming part of Consolidated Financial Statements

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. Refer note 5 for methods, assumptions and information used to measure expected credit losses.

Financial instruments that are subject to credit risk consist of trade receivables, loans, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹170 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹5,197 crore held with two banks having high credit rating which are individually in excess of 10% or more of the Group's total bank deposits as at March 31, 2024. 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 and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹2,96,130 crore and ₹1,09,258 crore as at March 31, 2024 and 2023, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, loans, contract assets and other financial assets.

  The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables and contract assets as at March 31, 2024 and 2023.

- **Geographic concentration of credit risk**

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

	As at March 31, 2024		As at March 31, 2023	
	Gross%	Net%	Gross%	Net%
United States of America	42.07	42.67	43.65	44.31
India	18.68	17.44	15.45	14.06
United Kingdom	16.56	16.86	16.05	16.37

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

The allowance for lifetime expected credit losses on trade receivables for the years ended March 31, 2024 and 2023, was ₹98 crore and ₹126 crore respectively. The reconciliation of allowance for expected credit losses is as follows:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**1,213**	**1,333**
Change during the year	98	126
Bad debts written off	(118)	(253)
Translation exchange difference	(3)	7
Balance at the end of the year	**1,190**	**1,213**

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 including lease liabilities as and when they fall due.

Notes forming part of Consolidated Financial Statements

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

(₹ crore)

March 31, 2024	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	9,981	-	-	-	9,981
Lease liabilities	1,959	1,709	3,364	3,070	10,102
Other financial liabilities	8,255	51	73	245	8,624
	20,195	**1,760**	**3,437**	**3,315**	**28,707**
Derivative financial liabilities	114	-	-	-	114
	20,309	**1,760**	**3,437**	**3,315**	**28,821**

(₹ crore)

March 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	10,515	-	-	-	10,515
Lease liabilities	1,969	1,771	3,185	2,836	9,761
Other financial liabilities	8,948	51	302	9	9,310
	21,432	**1,822**	**3,487**	**2,845**	**29,586**
Derivative financial liabilities	141	-	-	-	141
	21,573	**1,822**	**3,487**	**2,845**	**29,727**

(m) Equity instruments

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

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Authorised		
460,05,00,000 equity shares of ₹1 each (March 31, 2023: 460,05,00,000 equity shares of ₹1 each)	460	460
105,02,50,000 preference shares of ₹1 each (March 31, 2023: 105,02,50,000 preference shares of ₹1 each)	105	105
	565	**565**
Issued, Subscribed and Fully paid up		
361,80,87,518 equity shares of ₹1 each (March 31, 2023: 365,90,51,373 equity shares of ₹1 each)	362	366
	362	**366**

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

The Board of Directors at its meeting held on October 11, 2023, approved a proposal to buy-back upto 4,09,63,855 equity shares of the Company for an aggregate amount not exceeding ₹17,000 crore, being 1.12% of the total paid up equity share capital at ₹4,150 per equity share. The shareholders approved the same on November 15, 2023, by way of a special resolution through postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 4,09,63,855 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on December 13, 2023. Capital redemption reserve was created to the extent of share capital extinguished (₹4 crore). The excess cost of buy-back of ₹17,046 crore (including ₹46 crore towards transaction cost of buy-back) over par value of shares and corresponding tax on buy-back of ₹3,959 crore were offset from retained earnings.

Notes forming part of Consolidated Financial Statements

I. Reconciliation of number of shares

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	**365,90,51,373**	**366**	**365,90,51,373**	**366**
Shares extinguished on buy-back	(4,09,63,855)	(4)	-	-
Closing balance	**361,80,87,518**	**362**	**365,90,51,373**	**366**

II. Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹1 each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Equity shares		
Holding company		
259,54,99,419 equity shares (March 31, 2023: 264,43,17,117 equity shares) are held by Tata Sons Private Limited	260	264
Subsidiaries and Associates of Holding company		
7,220 equity shares (March 31, 2023: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,14,172 equity shares (March 31, 2023: 10,14,172 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2023: 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2023: 766 equity shares) are held by The Tata Power Company Limited*	-	-
	260	**264**

*Equity shares having value less than ₹0.50 crore.

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

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Equity shares		
Tata Sons Private Limited, the holding company	259,54,99,419	264,43,17,117
% of shareholding	71.74%	72.27%

V. Equity shares movement during five years preceding March 31, 2024

- **Equity shares issued as bonus**
  The Company allotted 191,42,87,591 equity shares as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹86 crore and capital redemption reserve amounting to ₹106 crore in the quarter ended June 30, 2018, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.
- **Equity shares extinguished on buy-back**
  The Company bought back 4,00,00,000 equity shares for an aggregate amount of ₹18,000 crore being 1.08% of the total paid up equity share capital at ₹4,500 per equity share. The equity shares bought back were extinguished on March 29, 2022.

Notes forming part of Consolidated Financial Statements

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

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

VI. Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter name	Shares held by promoters				% Change during the year
	As at March 31, 2024		As at March 31, 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Tata Sons Private Limited	2,595,499,419	71.74%	2,644,317,117	72.27%	(0.53)%
Total	**2,595,499,419**	**71.74%**	**2,644,317,117**	**72.27%**	**(0.53)%**

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	Shares held by promoters				% Change during the year
	As at March 31, 2023		As at March 31, 2022		
	No. of shares	% of total shares	No. of shares	% of total shares	
Tata Sons Private Limited	2,644,317,117	72.27%	2,644,317,117	72.27%	-
Total	**2,644,317,117**	**72.27%**	**2,644,317,117**	**72.27%**	**-**

9) Leases

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

Group as a lessee

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

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

Notes forming part of Consolidated Financial Statements

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

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

Group as a lessor

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

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

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

(₹ crore)

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Leasehold land	-	929
Buildings	1,928	6,631
Leasehold improvements	-	25
Computer equipment	125	202
Software licences	-	60
Vehicles	18	34
Office equipment	1	3
Furniture and fixtures	2	2
	2,074	**7,886**

Notes forming part of Consolidated Financial Statements

(₹ crore)

	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Leasehold land	179	940
Buildings	1,236	6,330
Leasehold improvements	14	30
Computer equipment	73	125
Software licences	-	96
Vehicles	17	34
Office equipment	1	5
	1,520	**7,560**

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

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Leasehold land	11	10
Buildings	1,593	1,530
Leasehold improvements	8	6
Computer equipment	47	32
Software licences	36	37
Vehicles	18	16
Office equipment	3	3
Furniture and fixtures	-*	-
	1,716	**1,634**

*Represents value less than ₹0.50 crore.

Interest on lease liabilities is ₹518 crore and ₹492 crore for the years ended March 31, 2024 and 2023, respectively.

The Group incurred ₹353 crore and ₹318 crore for the years ended March 31, 2024 and 2023, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ₹2,515 crore and ₹2,538 crore for the years ended March 31, 2024 and 2023, respectively, including cash outflow for short term leases and leases of low-value assets.

The Group has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is ₹815 crore and ₹786 crore as at March 31, 2024 and 2023, respectively.

Lease contracts entered by the Group majorly pertain for buildings taken on lease to conduct its business in the ordinary course.

The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

Notes forming part of Consolidated Financial Statements

10) Non-financial assets and non-financial liabilities

(a) Property, plant and equipment

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

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except in respect of certain categories of assets, where the useful life of the assets has been assessed based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Buildings	20 years*
Leasehold improvements	Lease term
Plant and equipment	10 years*
Computer equipment	4 years*
Vehicles	4 years*
Office equipment	2-5 years*
Electrical installations	4-10 years*
Furniture and fixtures	5 years*

* The Group believes that the technically evaluated useful lives, different from Schedule II of the Companies Act, 2013, best represent the period over which these assets are expected to be used.

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

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

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

Notes forming part of Consolidated Financial Statements

Property, plant and equipment consist of the following:

(₹ crore)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2023	**354**	**8,066**	**2,673**	**828**	**13,435**	**43**	**2,815**	**2,138**	**1,992**	**32,344**
Additions	-	217	195	56	970	6	215	96	168	1,923
Disposals	-	(4)	(98)	(3)	(279)	(4)	(53)	(39)	(22)	(502)
Translation exchange difference	-	1	7	(3)	73	-	(1)	7	4	88
Cost as at March 31, 2024	**354**	**8,280**	**2,777**	**878**	**14,199**	**45**	**2,976**	**2,202**	**2,142**	**33,853**
Accumulated depreciation as at April 1, 2023	**-**	**(3,744)**	**(1,945)**	**(458)**	**(10,025)**	**(36)**	**(2,487)**	**(1,646)**	**(1,773)**	**(22,114)**
Depreciation	-	(413)	(182)	(86)	(1,682)	(4)	(192)	(134)	(97)	(2,790)
Disposals	-	4	98	2	276	3	50	37	22	492
Translation exchange difference	-	(1)	(7)	3	(52)	-	-	(5)	(3)	(65)
Accumulated depreciation as at March 31, 2024	**-**	**(4,154)**	**(2,036)**	**(539)**	**(11,483)**	**(37)**	**(2,629)**	**(1,748)**	**(1,851)**	**(24,477)**
Net carrying amount as at March 31, 2024	**354**	**4,126**	**741**	**339**	**2,716**	**8**	**347**	**454**	**291**	**9,376**
Capital work-in-progress*										1,564
Total										**10,940**

*₹1,923 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2024.

(₹ crore)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2022	**352**	**7,829**	**2,569**	**770**	**12,087**	**39**	**2,686**	**2,062**	**1,906**	**30,300**
Additions	-	234	72	56	1,628	8	180	67	69	2,314
Disposals	-	(5)	(15)	-	(342)	(4)	(69)	(9)	(14)	(458)
Translation exchange difference	2	8	47	2	62	-	18	18	31	188
Cost as at March 31, 2023	**354**	**8,066**	**2,673**	**828**	**13,435**	**43**	**2,815**	**2,138**	**1,992**	**32,344**
Accumulated depreciation as at April 1, 2022	**-**	**(3,343)**	**(1,736)**	**(377)**	**(8,563)**	**(35)**	**(2,315)**	**(1,503)**	**(1,654)**	**(19,526)**
Depreciation	-	(398)	(186)	(80)	(1,755)	(4)	(219)	(140)	(110)	(2,892)
Disposals	-	4	15	-	340	3	62	9	14	447
Translation exchange difference	-	(7)	(38)	(1)	(47)	-	(15)	(12)	(23)	(143)
Accumulated depreciation as at March 31, 2023	**-**	**(3,744)**	**(1,945)**	**(458)**	**(10,025)**	**(36)**	**(2,487)**	**(1,646)**	**(1,773)**	**(22,114)**
Net carrying amount as at March 31, 2023	**354**	**4,322**	**728**	**370**	**3,410**	**7**	**328**	**492**	**219**	**10,230**
Capital work-in-progress*										1,234
Total										**11,464**

*₹2,314 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2023.

Notes forming part of Consolidated Financial Statements

Capital work-in-progress

- **Capital work-in-progress ageing**
  Ageing for capital work-in-progress as at March 31, 2024 is as follows:

(₹ crore)

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1,010	160	58	336	1,564
	1,010	**160**	**58**	**336**	**1,564**

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

(₹ crore)

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	658	212	42	322	1,234
	658	**212**	**42**	**322**	**1,234**

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

(b) Goodwill

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.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider economic uncertainties, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. 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.

Goodwill consists of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the period	**1,858**	**1,787**
Translation exchange difference	(26)	71
Balance at the end of the period	**1,832**	**1,858**

Goodwill of ₹689 crore and ₹685 crore as at March 31, 2024 and 2023, respectively, 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 8.67%. 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 reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of ₹1,143 crore and ₹1,173 crore as at March 31, 2024 and 2023, respectively, (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.

Notes forming part of Consolidated Financial Statements

(c) Other intangible assets

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 consist of rights under licensing agreement and software licences and customer-related intangibles.

Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licences	Lower of licence period and 2-5 years
Customer-related intangibles	3 years

Intangible assets are amortised on a straight-line basis over the period of its economic useful life.

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

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

Intangible assets consist of the following:

(₹ crore)

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
Cost as at April 1, 2023	**1,892**	**126**	**2,018**
Additions	131	-	131
Disposals / Derecognised	(18)	-	(18)
Translation exchange difference	(1)	1	-
Cost as at March 31, 2024	**2,004**	**127**	**2,131**
Accumulated amortisation as at April 1, 2023	**(1,025)**	**(126)**	**(1,151)**
Amortisation	(479)	-	(479)
Disposals / Derecognised	11	-	11
Translation exchange difference	(1)	(1)	(2)
Accumulated amortisation as at March 31, 2024	**(1,494)**	**(127)**	**(1,621)**
Net carrying amount as at March 31, 2024	**510**	**-**	**510**

(₹ crore)

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
Cost as at April 1, 2022	**1,697**	**121**	**1,818**
Additions	262	-	262
Disposals / Derecognised	(73)	-	(73)
Translation exchange difference	6	5	11
Cost as at March 31, 2023	**1,892**	**126**	**2,018**
Accumulated amortisation as at April 1, 2022	**(596)**	**(121)**	**(717)**
Amortisation	(496)	-	(496)
Disposals / Derecognised	73	-	73
Translation exchange difference	(6)	(5)	(11)
Accumulated amortisation as at March 31, 2023	**(1,025)**	**(126)**	**(1,151)**
Net carrying amount as at March 31, 2023	**867**	**-**	**867**

Notes forming part of Consolidated Financial Statements

The estimated amortisation for the years subsequent to March 31, 2024 is as follows:

(₹ crore)

Year ending March 31,	Amortisation expense
2025	305
2026	111
2027	74
2028	20
	510

(d) Other assets

Other assets consist of the following:

Other assets – Non-current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Considered good		
Capital advances	88	68
Advances to related parties	196	63
Contract assets	295	215
Prepaid expenses	2,557	2,138
Contract fulfillment costs	247	114
Others	213	208
	3,596	**2,806**
Advances to related parties, considered good, comprise:		
Voltas Limited	-	-*
Tata Realty and Infrastructure Limited	-*	-*
Tata Projects Limited	191	54
Titan Engineering and Automation Limited	3	-
Saankhya Labs Private Limited	-	8
Universal MEP Projects & Engineering Services Limited	2	1

*Represents value less than ₹0.50 crore.

Other assets – Current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Considered good		
Advance to suppliers	174	91
Advance to related parties	967	9
Contract assets	5,846	5,616
Prepaid expenses	2,055	1,494
Prepaid rent	-	20
Contract fulfillment costs	1,588	1,035
Indirect taxes recoverable	1,288	1,049
Others	349	393
Considered doubtful		
Advance to suppliers	2	2
Other advances	4	4
Less: Allowance for doubtful assets	(6)	(6)
	12,267	**9,707**

Notes forming part of Consolidated Financial Statements

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Advance to related parties, considered good comprise:		
Tata Sons Private Limited	-	7
Tata AIG General Insurance Company Limited	7	1
Titan Company Limited	-	1
Tejas Networks Limited	960	-

Non-current – Others includes advance of ₹177 crore and ₹177 crore towards acquiring right-of-use of leasehold land as at March 31, 2024 and 2023, respectively.

Contract fulfillment costs of ₹838 crore and ₹967 crore for the years ended March 31, 2024 and 2023, respectively, have been amortised in the consolidated statement of profit and loss. Refer note 12 for changes in contract assets.

(e) Inventories

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

Inventories consist of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Raw materials, sub-assemblies and components	28	23
Finished goods and work-in-progress	-*	5
	28	**28**

*Represents value less than ₹0.50 crore.

(f) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Advance received from customers	1,841	543
Indirect taxes payable and other statutory liabilities	4,330	4,119
Others	353	230
	6,524	**4,892**

(g) Provisions

Provisions consist of the following:

Provisions – Current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Provision towards legal claim (Refer note 20)	-	206
Provision for foreseeable loss	97	101
Other provisions	43	38
	140	**345**

Notes forming part of Consolidated Financial Statements

11) Other equity

Other equity consist of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Capital reserve	**75**	**75**
Capital redemption reserve		
Opening balance	**440**	**440**
Transfer from retained earnings	4	-
	444	**440**
Special Economic Zone re-investment reserve		
Opening balance	**11,809**	**7,287**
Transfer from retained earnings	9,875	8,380
Transfer to retained earnings	(5,450)	(3,858)
	16,234	**11,809**
Retained earnings		
Opening balance	**74,722**	**78,158**
Profit for the year	45,908	42,147
Remeasurement of defined employee benefit plans	(13)	275
Expenses for buy-back of equity shares	(46)	-
Tax on buy-back of equity shares	(3,959)	-
Buy-back of equity shares	(16,996)	-
Transfer from Special Economic Zone re-investment reserve	5,450	3,858
Purchase of non-controlling interests	-	(8)
	1,05,066	**1,24,430**
Less: Appropriations		
Dividend on equity shares	25,137	41,347
Transfer to capital redemption reserve	4	-
Transfer to Special Economic Zone re-investment reserve	9,875	8,380
Transfer from statutory reserve	17	(19)
	70,033	**74,722**
Statutory reserve		
Opening balance	**143**	**162**
Transfer to retained earnings	17	(19)
	160	**143**
Investment revaluation reserve		
Opening balance	**41**	**488**
Change during the year (net)	194	(447)
	235	**41**
Cash flow hedging reserve (Refer note 8(k))		
Opening balance	**(20)**	**(26)**
Change during the year (net)	11	6
	(9)	**(20)**
Foreign currency translation reserve		
Opening balance	**2,848**	**2,189**
Change during the year (net)	107	659
	2,955	**2,848**
	90,127	**90,058**

Notes forming part of Consolidated Financial Statements

12) Revenue recognition

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

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

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

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

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

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

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

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

Notes forming part of Consolidated Financial Statements

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

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

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

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

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

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

Revenue disaggregation by nature of services is as follows:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Consultancy services	2,38,135	2,23,332
Sale of equipment and software licences	2,758	2,126
	2,40,893	**2,25,458**

Revenue disaggregation by industry vertical and geography has been included in segment information (Refer note 19).

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

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹1,65,314 crore out of which 47.69% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**5,831**	**4,419**
Invoices raised that were included in the contract assets balance at the beginning of the year	(3,933)	(3,305)
Increase due to revenue recognised during the year, excluding amounts billed during the year	4,182	4,519
Translation exchange difference	61	198
Balance at the end of the year	**6,141**	**5,831**

Notes forming part of Consolidated Financial Statements

Changes in unearned and deferred revenue are as follows:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**4,846**	**4,745**
Revenue recognised that was included in the unearned and deferred revenue balance at the beginning of the year	(4,178)	(3,071)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	3,469	3,088
Translation exchange difference	(15)	84
Balance at the end of the year	**4,122**	**4,846**

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

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Contracted price	2,44,803	2,28,932
Reductions towards variable consideration components	(3,910)	(3,474)
Revenue recognised	**2,40,893**	**2,25,458**

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

13) Other income

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

Other income consist of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income	3,781	3,248
Dividend income	41	15
Net gain on disposal / fair valuation of investments carried at fair value through profit or loss	301	220
Net gain on sale of investments other than equity shares carried at fair value through OCI	11	4
Net gain on disposal of property, plant and equipment	7	26
Net gain / (loss) on lease modification	7	(2)
Net foreign exchange gain / (loss)	223	(159)
Other income	51	97
	4,422	**3,449**
Interest income comprise:		
Interest on bank balances and bank deposits	751	291
Interest on financial assets carried at amortised cost	398	657
Interest on financial assets carried at fair value through OCI	2,198	2,131
Other interest (including interest on tax refunds)	434	169
Dividend income comprise:		
Dividend from mutual fund units and other investments	41	15

Notes forming part of Consolidated Financial Statements

14) Employee benefits

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

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

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

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

The Group provides benefits such as superannuation, provident fund (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans.

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

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

Employee benefit expenses consist of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, incentives and allowances	1,25,432	1,14,359
Contributions to provident and other funds	10,962	9,644
Staff welfare expenses	3,737	3,519
	1,40,131	**1,27,522**

Employee benefit obligations consist of the following:

Employee benefit obligations – Non-current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Gratuity liability	15	11
Foreign defined benefit plans	502	383
Other employee benefit obligations	169	142
	686	**536**

Notes forming part of Consolidated Financial Statements

Employee benefit obligations – Current

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Compensated absences	4,480	4,027
Other employee benefit obligations	39	38
	4,519	**4,065**

Employee benefit plans consist of the following:

Gratuity and pension

In accordance with Indian law, Tata Consultancy Services Limited and its subsidiaries in India operate a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

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

(₹ crore)

	Year ended March 31, 2024					Year ended March 31, 2023				
	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total
Change in benefit obligations										
Benefit obligations, beginning of the year	**4,667**	**3**	**1,833**	**294**	**6,797**	**4,482**	**3**	**2,294**	**269**	**7,048**
Translation exchange	-	-	26	13	39	-	-	94	29	123
Plan participants' contribution	-	-	20	-	20	-	-	18	-	18
Service cost	485	-	33	82	600	515	-	37	50	602
Interest cost	363	-	57	18	438	332	-	30	11	373
Remeasurement of the net defined benefit liability	168	-	(16)	10	162	(158)	-	(627)	(39)	(824)
Past service cost / (credit)	-	-	6	6	12	-	-	(7)	-	(7)
Benefits paid	(383)	-	(61)	(31)	(475)	(504)	-	(6)	(26)	(536)
Benefit obligations, end of the year	**5,300**	**3**	**1,898**	**392**	**7,593**	**4,667**	**3**	**1,833**	**294**	**6,797**

Notes forming part of Consolidated Financial Statements

(₹ crore)

	Year ended March 31, 2024					Year ended March 31, 2023				
	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total
Change in plan assets										
Fair value of plan assets, beginning of the year	**6,405**	**-**	**1,929**	**-**	**8,334**	**5,527**	**-**	**2,132**	**-**	**7,659**
Translation exchange	-	-	26	-	26	-	-	111	-	111
Interest income	501	-	61	-	562	425	-	26	-	451
Employers' contributions	601	-	53	-	654	1,060	-	19	-	1,079
Plan participants' contribution	-	-	20	-	20	-	-	18	-	18
Benefits paid	(383)	-	(61)	-	(444)	(504)	-	(6)	-	(510)
Remeasurement-return on plan assets excluding amount included in interest income	110	-	50	-	160	(103)	-	(371)	-	(474)
Fair value of plan assets, end of the year	**7,234**	**-**	**2,078**	**-**	**9,312**	**6,405**	**-**	**1,929**	**-**	**8,334**

(₹ crore)

	As at March 31, 2024					As at March 31, 2023				
	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total
Funded status										
Deficit of plan assets over obligations	(12)	(3)	(110)	(392)	(517)	(8)	(3)	(89)	(294)	(394)
Surplus of plan assets over obligations	1,946	-	290	-	2,236	1,746	-	185	-	1,931
	1,934	**(3)**	**180**	**(392)**	**1,719**	**1,738**	**(3)**	**96**	**(294)**	**1,537**

(₹ crore)

	As at March 31, 2024					As at March 31, 2023				
	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total
Category of assets										
Corporate bonds	1,960	-	371	-	2,331	1,832	-	287	-	2,119
Equity instruments	201	-	375	-	576	121	-	352	-	473
Government bonds and securities	3,172	-	-	-	3,172	2,917	-	-	-	2,917
Insurer managed funds	1,734	-	607	-	2,341	1,390	-	543	-	1,933
Bank balances	22	-	78	-	100	16	-	94	-	110
Others	145	-	647	-	792	129	-	653	-	782
	7,234	**-**	**2,078**	**-**	**9,312**	**6,405**	**-**	**1,929**	**-**	**8,334**

Notes forming part of Consolidated Financial Statements

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

(₹ crore)

	Year ended March 31, 2024					Year ended March 31, 2023				
	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total
Service cost	485	-	33	82	600	515	-	37	50	602
Net interest on net defined benefit (asset) / liability	(138)	-	(4)	18	(124)	(93)	-	4	11	(78)
Past service cost / (credit)	-	-	6	6	12	-	-	(7)	-	(7)
Net periodic gratuity / pension cost	**347**	**-**	**35**	**106**	**488**	**422**	**-**	**34**	**61**	**517**
Actual return on plan assets	**611**	**-**	**111**	**-**	**722**	**322**	**-**	**(345)**	**-**	**(23)**

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

(₹ crore)

	Year ended March 31, 2024				
	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total
Actuarial gains arising from changes in demographic assumptions	(2)	-	(4)	(3)	(9)
Actuarial (gains) and losses arising from changes in financial assumptions	67	-	(43)	10	34
Actuarial losses arising from changes in experience adjustments	103	-	31	3	137
Remeasurement of the net defined benefit liability	**168**	**-**	**(16)**	**10**	**162**
Remeasurement- return on plan assets excluding amount included in interest income	(110)	-	(50)	-	(160)
	58	**-**	**(66)**	**10**	**2**

(₹ crore)

	Year ended March 31, 2023				
	Domestic plans funded	Domestic plans unfunded	Foreign plans funded	Foreign plans unfunded	Total
Actuarial losses arising from changes in demographic assumptions	30	-	-	5	35
Actuarial gains arising from changes in financial assumptions	(164)	-	(625)	(47)	(836)
Actuarial (gains) and losses arising from changes in experience adjustments	(24)	-	(2)	3	(23)
Remeasurement of the net defined benefit liability	**(158)**	**-**	**(627)**	**(39)**	**(824)**
Remeasurement- return on plan assets excluding amount included in interest income	103	-	371	-	474
	(55)	**-**	**(256)**	**(39)**	**(350)**

Notes forming part of Consolidated Financial Statements

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

	Year ended March 31, 2024		Year ended March 31, 2023	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	7.00%- 7.25%	1.57%- 9.40%	7.25%- 7.50%	2.16%- 9.40%
Rate of increase in compensation levels of covered employees	5.00%- 10.00%	1.75%- 7.00%	4.00%- 8.00%	1.50%- 7.00%
Rate of return on plan assets	7.00%- 7.25%	1.57%- 9.40%	7.25%- 7.50%	2.16%- 9.40%
Weighted average duration of defined benefit obligations	2-11 Years	3-27 Years	2-13 Years	3-28 Years

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

The expected benefits are based on the same assumptions as are used to measure Group's defined benefit plan obligations as at March 31, 2024. The Group is expected to contribute ₹40 crore to defined benefit plan obligations funds for the year ending March 31, 2025 comprising domestic component of ₹8 crore and foreign component of ₹32 crore.

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

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

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	(272)	(265)
Decrease of 0.50%	300	290

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

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	163	155
Decrease of 0.50%	(157)	(147)

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

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

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.

Notes forming part of Consolidated Financial Statements

The defined benefit obligations shall mature after year ended March 31, 2024 as follows:

(₹ crore)

Year ending March 31,	Defined benefit obligations
2025	947
2026	764
2027	773
2028	764
2029	720
2030-2034	2,989

Provident fund

In accordance with Indian law, all eligible employees of Tata Consultancy Services Limited in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit and loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

All eligible employees of Indian subsidiaries of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to the Government administered provident fund plan. A part of the Company's contribution is transferred to Government administered pension fund. This plan is a defined contribution plan as the obligation of the employer is limited to the monthly contributions made to the fund. The contributions made to the fund are recognised as an expense in profit and loss under employee benefit expenses.

The details of fund and plan assets are given below:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets	29,170	25,511
Present value of defined benefit obligations	(29,170)	(25,511)
Net excess / (shortfall)	-	-

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

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

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.25%	7.50%
Average remaining tenure of investment portfolio	6 years	7 years
Guaranteed rate of return	8.25%	8.15%

The Group expensed ₹1,698 crore and ₹1,628 crore for the years ended March 31, 2024 and 2023, respectively, towards provident fund.

Notes forming part of Consolidated Financial Statements

Superannuation

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

The Group expensed ₹452 crore and ₹394 crore for the years ended March 31, 2024 and 2023, respectively, towards Employees' Superannuation Fund.

Foreign defined contribution plans

The Group expensed ₹2,529 crore and ₹2,109 crore for the years ended March 31, 2024 and 2023, respectively, towards foreign defined contribution plans.

15) Cost recognition

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

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

(a) Cost of equipment and software licences

Cost of equipment and software licences consist of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Raw materials, sub-assemblies and components consumed	42	37
Equipment and software licences purchased	3,655	1,846
	3,697	**1,883**
Finished goods and work-in-progress		
Opening stock	5	3
Less: Closing stock	-*	5
	5	**(2)**
	3,702	**1,881**

*Represents value less than ₹0.50 crore.

(b) Other expenses

Other expenses consist of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Fees to external consultants	15,820	21,337
Facility expenses	3,100	2,655
Travel expenses	2,970	2,675
Communication expenses	2,261	2,246
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	114	140
Other expenses	8,499	7,743
	32,764	**36,796**

Other expenses include ₹4,017 crore and ₹3,488 crore for the years ended March 31, 2024 and 2023, respectively, towards project expenses.

Notes forming part of Consolidated Financial Statements

16) Finance costs

Finance costs consist of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	518	492
Interest on tax matters	30	46
Other interest costs	230	241
	778	**779**

17) Income taxes

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

Current income taxes

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

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

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

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

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

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

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

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

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

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

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

Notes forming part of Consolidated Financial Statements

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

The income tax expense consists of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax expense for current year	16,284	15,389
Current tax benefit pertaining to prior years	(420)	(632)
	15,864	**14,757**
Deferred tax		
Deferred tax expense / (benefit) for current year	3	(130)
Deferred tax expense / (benefit) pertaining to prior years	31	(23)
	34	**(153)**
	15,898	**14,604**

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

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	61,997	56,907
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	21,664	19,887
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(6,407)	(5,112)
Income exempt from tax	(522)	(236)
Undistributed earnings in branches and subsidiaries	111	276
Tax on income at different rates	891	508
Tax pertaining to prior years	(389)	(655)
Effect of tax rate change under new regime	441	-
Others (net)	109	(64)
Total income tax expense	**15,898**	**14,604**

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

Notes forming part of Consolidated Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / Utilisation	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	**686**	52	-	-	1	**739**
Provision for employee benefits	**1,056**	84	(24)	-	(8)	**1,108**
Cash flow hedges	**6**	-	(3)	-	-	**3**
Receivables, financial assets at amortised cost	**438**	(15)	-	-	(1)	**422**
Branch profit tax	**(135)**	35	-	-	-	**(100)**
Undistributed earnings of subsidiaries	**(534)**	(146)	-	-	-	**(680)**
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	**(84)**	(2)	(37)	-	(3)	**(126)**
Lease liabilities and right-of-use assets	**250**	20	-	-	-	**270**
Others	**832**	(62)	-	-	20	**790**
	2,515	**(34)**	**(64)**	**-**	**9**	**2,426**

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

	Assets	Liabilities	Net
As at March 31, 2024			
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	862	123	739
Provision for employee benefits	1,149	41	1,108
Cash flow hedges	3	-	3
Receivables, financial assets at amortised cost	422	-	422
Branch profit tax	-	100	(100)
Undistributed earnings of subsidiaries	-	680	(680)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(124)	2	(126)
Lease liabilities	1,314	-	1,314
Right-of-use assets	(1,044)	-	(1,044)
Others	821	31	790
	3,403	**977**	**2,426**

Notes forming part of Consolidated Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Ajustments / Utilisation	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	**434**	250	-	-	2	**686**
Provision for employee benefits	**1,042**	73	(62)	-	3	**1,056**
Cash flow hedges	**7**	-	(1)	-	-	**6**
Receivables, financial assets at amortised cost	**471**	(46)	-	-	13	**438**
MAT credit entitlement	**975**	-	-	(975)	-	**-**
Branch profit tax	**(77)**	(58)	-	-	-	**(135)**
Undistributed earnings of subsidiaries	**(355)**	(179)	-	-	-	**(534)**
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	**(320)**	(1)	234	-	3	**(84)**
Lease liabilities and right-of-use assets	**241**	5	-	-	4	**250**
Others	**700**	109	-	-	23	**832**
	3,118	**153**	**171**	**(975)**	**48**	**2,515**

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2023	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	788	102	686
Provision for employee benefits	1,065	9	1,056
Cash flow hedges	6	-	6
Receivables, financial assets at amortised cost	438	-	438
Branch profit tax	-	135	(135)
Undistributed earnings of subsidiaries	-	534	(534)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(83)	1	(84)
Lease liabilities	1,152	-	1,152
Right-of-use assets	(902)	-	(902)
Others	843	11	832
	3,307	**792**	**2,515**

Under the 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.

Notes forming part of Consolidated Financial Statements

Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlements which do not qualify for recognition as per the applicable accounting standards. These unabsorbed business losses will expire based on the year of origination as follows:

(₹ crore)

March 31,	Unabsorbed business losses
2027	1
2028	-
Thereafter	39
	40

Under the 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.

Deferred tax liability on temporary differences of ₹7,473 crore as at March 31, 2024, associated with investments in 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.

Direct tax contingencies

The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the other jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances and characterisation of fees for services received. Contingent liability in respect of tax demands received from direct tax authorities in India and other jurisdictions is ₹1,871 crore and ₹1,542 crore as at March 31, 2024 and 2023, respectively. These demand orders are being contested by the Company and its subsidiaries based on the management evaluation and advise of tax consultants. In respect of tax contingencies of ₹318 crore and ₹318 crore as at March 31, 2024 and 2023, respectively, 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 2022 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2020 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2019 and earlier.

18) Earnings per share

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

	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year attributable to shareholders of the Company (₹ crore)	45,908	42,147
Weighted average number of equity shares	364,68,51,755	365,90,51,373
Basic and diluted earnings per share (₹)	125.88	115.19
Face value per equity share (₹)	1	1

Notes forming part of Consolidated Financial Statements

19) 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. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Group has identified business segments ('industry vertical') as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance, 2) Manufacturing, 3) Consumer Business, 4) Communication, Media and Technology, 5) Life Sciences and Healthcare and 6) Others such as Energy, Resources and Utilities, s-Governance and Products.

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

The assets and liabilities of the Group are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence assets and liabilities have not been identified to any of the reportable segments.

Summarised segment information for the years ended March 31, 2024 and 2023, is as follows:

Year ended March 31, 2024 (₹ crore)

	Banking, Financial Services and Insurance	Manufacturing	Consumer Business	Communication, Media and Technology	Life Sciences and Healthcare	Others	Total
Revenue from operations	**90,928**	**23,491**	**39,357**	**39,391**	**26,745**	**20,981**	**2,40,893**
Segment result	**23,574**	**7,268**	**10,252**	**10,918**	**7,611**	**4,673**	**64,296**
Total unallocable expenses*							6,721
Operating income							**57,575**
Other income							4,422
Profit before tax							**61,997**
Tax expense							15,898
Profit for the year							**46,099**
Depreciation and amortisation expense (unallocable)							4,985
Significant non-cash items (allocable)	(13)	22	3	-	9	92	**113**

*Includes settlement of legal claim of ₹958 crore (Refer note 20).

Year ended March 31, 2023 (₹ crore)

	Banking, Financial Services and Insurance	Manufacturing	Consumer Business	Communication, Media and Technology	Life Sciences and Healthcare	Others	Total
Revenue from operations	**86,127**	**21,236**	**37,506**	**37,653**	**24,605**	**18,331**	**2,25,458**
Segment result	**22,345**	**5,842**	**9,636**	**10,667**	**6,894**	**3,875**	**59,259**
Total unallocable expenses							5,801
Operating income							**53,458**
Other income							3,449
Profit before tax							**56,907**
Tax expense							14,604
Profit for the year							**42,303**
Depreciation and amortisation expense (unallocable)							5,021
Significant non-cash items (allocable)	32	6	6	5	25	65	**139**

Notes forming part of Consolidated Financial Statements

Information regarding geographical revenue is as follows:

(₹ crore)

Geography	As at March 31, 2024	As at March 31, 2023
Americas		
North America	1,23,094	1,20,336
Latin America	4,845	4,000
Europe		
United Kingdom	39,852	33,861
Continental Europe	35,772	33,575
Asia Pacific	18,851	18,132
India	13,562	11,271
Middle East and Africa	4,917	4,283
	2,40,893	**2,25,458**

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

Information regarding geographical non-current assets is as follows:

(₹ crore)

Geography	As at March 31, 2024	As at March 31, 2023
Americas		
North America	2,198	1,899
Latin America	960	1,056
Europe		
United Kingdom	1,362	1,487
Continental Europe	2,456	2,422
Asia Pacific	917	848
India	18,307	19,254
Middle East and Africa	164	178
	26,364	**27,144**

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

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2024 and 2023, respectively.

Notes forming part of Consolidated Financial Statements

20) Commitments and contingencies

Capital commitments
The Group has contractually committed (net of advances) ₹2,032 crore and ₹1,543 crore as at March 31, 2024 and 2023, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**
  Refer note 17.

- **Indirect tax matters**
  The Company and its subsidiaries have ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company and its subsidiaries have demands amounting to ₹1,161 crore and ₹568 crore as at March 31, 2024 and 2023, respectively, from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

- **Other claims**
  Claims aggregating ₹226 crore and ₹277 crore as at March 31, 2024 and 2023, respectively, against the Group have not been acknowledged as debts.

  In addition to above, in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin alleging unauthorised access to and download of their confidential information and use thereof in the development of the Company's product MedMantra.

  Pursuant to an initial unfavourable judgment from the District Court, the Appeals court re-affirmed the order of compensatory damages of ₹1,167 crore (US $140 million) and remanded back to the District Court to reassess matter relating to punitive damages (to limit maximum up to ₹1,167 crore (US $140 million)), the Company has already paid the compensatory damages of ₹1,167 crore (US $140 million) along with interest in April 2022. The Company's second appeal in the Appeals Court to reduce the punitive damages subsequently affirmed by the District Court was disposed on July 14, 2023, with a re-affirmation of the District Court order awarding punitive damages of ₹1,167 crore (US $140 million). The Company's petition to the Supreme Court to review the entire judgement including both the compensatory and punitive damages re-affirmed by the Appeals Court was rejected by the Supreme Court on November 20, 2023, pursuant to which, punitive damages of ₹1,167 crore (US $140 million) was paid on December 1, 2023. The Company has provided the balance punitive damages amount of ₹958 crore (US $115 million) in its financial statements for the year ended March 31, 2024 and disclosed the same as an "exceptional item" in the consolidated statement of profit and loss.

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

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

Notes forming part of Consolidated Financial Statements

21) Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests

Name of the entity	Country of incorporation	% of voting power as at March 31, 2024	% of voting power as at March 31, 2023	Net assets, i.e. total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
Tata Consultancy Services Limited	India	-	-	74.12	72,120	86.29	43,559	85.49	165	86.28	43,724
Subsidiaries (held directly)											
Indian											
APTOnline Limited	India	89.00	89.00	0.13	128	0.04	22	-	-	0.04	22
C-Edge Technologies Limited	India	51.00	51.00	0.42	411	0.19	94	-	-	0.19	94
MP Online Limited	India	89.00	89.00	0.13	140	0.06	29	-	-	0.06	29
TCS e-Serve International Limited	India	100.00	100.00	0.49	476	0.45	229	(0.52)	(1)	0.45	228
MahaOnline Limited	India	74.00	74.00	0.09	85	0.01	6	-	-	0.01	6
TCS Foundation	India	100.00	100.00	1.34	1,307	-	-	-	-	-	-
Foreign											
Tata America International Corporation	U.S.A.	100.00	100.00	1.72	1,669	2.32	1,170	(3.11)	(6)	2.30	1,164
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00	1.96	1,906	2.07	1,047	-	-	2.07	1,047
Tata Consultancy Services Argentina S.A.	Argentina	100.00	100.00	-	(1)	(0.01)	(3)	-	-	(0.01)	(3)
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00	0.36	360	0.10	51	-	-	0.10	51
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00	0.93	916	0.39	197	1.55	3	0.39	200
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00	0.43	421	0.05	25	-	-	0.05	25
TCS Iberoamerica SA	Uruguay	100.00	100.00	1.87	1,822	1.63	824	-	-	1.63	824
TCS Inversiones Chile Limitada	Chile	100.00	100.00	0.28	279	0.10	49	-	-	0.11	49
TCS Solution Center S.A.	Uruguay	100.00	100.00	0.33	320	0.14	73	-	-	0.14	73
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00	0.10	96	-	-	(0.52)	(1)	-	(1)
MGDC S.C.	Mexico	100.00	100.00	0.03	27	(0.07)	(36)	-	-	(0.07)	(36)
TCS Uruguay S.A.	Uruguay	100.00	100.00	0.25	246	0.19	98	-	-	0.19	98
Tata Consultancy Services Guatemala, S.A.	Guatemala	100.00	100.00	0.03	27	0.01	7	-	-	0.01	7

Notes forming part of Consolidated Financial Statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2024	% of voting power as at March 31, 2023	Net assets, i.e. total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
Tata Consultancy Services Belgium	Belgium	100.00	100.00	0.60	586	0.23	117	-	-	0.23	117
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00	0.13	131	0.02	9	-	-	0.02	9
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00	0.93	909	0.20	101	(0.52)	(1)	0.20	100
Tata Consultancy Services Italia s.r.l.	Italy	100.00	100.00	0.08	82	0.01	4	-	-	0.01	4
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00	3.49	3,397	1.12	563	-	-	1.11	563
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00	1.19	1,157	0.53	266	-	-	0.52	266
Tata Consultancy Services (Portugal) Unipessoal, Limitada	Portugal	100.00	100.00	0.06	54	0.04	19	-	-	0.04	19
Diligenta Limited	U.K.	100.00	100.00	1.72	1,673	0.45	226	(3.63)	(7)	0.43	219
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00	0.13	123	0.12	62	-	-	0.12	62
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00	0.89	866	0.41	207	(9.84)	(19)	0.37	188
Tata Consultancy Services France	France	100.00	100.00	(0.28)	(275)	0.19	97	(1.55)	(3)	0.19	94
Tata Consultancy Services Saudi Arabia	Saudi Arabia	100.00	100.00	0.17	161	0.05	27	(1.04)	(2)	0.05	25
Tata Consultancy Services UK Limited	U.K.	100.00	100.00	0.03	34	0.01	4	-	-	0.01	4
TCS Business Services GmbH	Germany	100.00	100.00	0.10	97	0.03	13	4.15	8	0.04	21
Tata Consultancy Services Bulgaria EOOD	Bulgaria	100.00	100.00	0.03	33	0.01	6	-	-	0.01	6
Tata Consultancy Services Ireland Limited	Ireland	100.00	100.00	0.46	444	0.22	113	-	-	0.22	113
TCS Technology Solutions GmbH	Germany	100.00	100.00	0.89	866	0.17	85	31.61	61	0.29	146
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00	0.01	5	-	1	-	-	-	1
Saudi Desert Rose Holding B.V.	Netherlands	-	100.00	-	-	-	-	-	-	-	-
Diligenta (Europe) B.V.	Netherlands	100.00	-	-	-	-	-	-	-	-	-

Notes forming part of Consolidated Financial Statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2024	% of voting power as at March 31, 2023	Net assets, i.e. total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00	1.08	1,049	0.54	271	-	-	0.53	271
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00	0.10	96	0.11	56	-	-	0.11	56
TCS FNS Pty Limited	Australia	100.00	100.00	0.14	141	0.10	51	-	-	0.10	51
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00	0.09	54	0.06	32	-	-	0.06	32
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00	0.03	27	0.02	10	-	-	0.02	10
Tata Consultancy Services (China) Co., Ltd.	China	100.00	100.00	0.38	371	0.15	74	-	-	0.15	74
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00	0.04	40	0.01	5	-	-	0.01	5
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00	0.02	15	0.02	9	-	-	0.02	9
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00	0.17	161	0.18	91	(2.07)	(4)	0.17	87
Tata Consultancy Services Japan, Ltd.	Japan	66.00	66.00	1.78	1,743	0.82	410	-	-	0.81	410
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.05	47	0.07	35	-	-	0.07	35
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.11	105	0.10	50	-	-	0.10	50
Tata Consultancy Services Qatar L.L.C.	Qatar	100.00	100.00	0.05	51	0.03	16	-	-	0.03	16
Trusts	India	-	-	0.32	307	0.02	12	-	-	0.02	12
TOTAL				**100.00**	**97,305**	**100.00**	**50,481**	**100.00**	**193**	**100.00**	**50,674**

Notes forming part of Consolidated Financial Statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2024	% of voting power as at March 31, 2023	Net assets, i.e. total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
a) Adjustments arising out of consolidation					**(5,986)**		**(4,382)**		**44**		**(4,338)**
b) Non-controlling interests											
Indian subsidiaries											
APTOnline Limited					(14)		(2)		-		(2)
C-Edge Technologies Limited					(201)		(46)		-		(46)
MP Online Limited					(15)		(3)		-		(3)
MahaOnline Limited					(22)		(2)		-		(2)
Foreign subsidiaries											
Tata Consultancy Services (China) Co., Ltd.					-		-		-		-
Tata Consultancy Services Japan, Ltd.					(577)		(137)		62		(75)
TOTAL					**(830)**		**(191)**		**62**		**(129)**
TOTAL					**90,489**		**45,908**		**299**		**46,207**

Notes:

1. TCS Technology Solutions AG renamed as TCS Technology Solutions GmbH.
2. Saudi Desert Rose Holding B.V. merged with Tata Consultancy Services Netherlands BV w.e.f. August 29, 2023.
3. Diligenta Limited incorporated a subsidiary, Diligenta (Europe) B.V. in Netherlands on September 14, 2023.

Notes forming part of Consolidated Financial Statements

22) Related party transactions

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

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

Transactions with related parties are as follows:

(₹ crore)

	Year ended March 31, 2024				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	50	1,025	4,495	-	5,570
Purchases of goods and services (including reimbursements)	2	1,390	250	-	1,642
Brand equity contribution	352	-	-	-	352
Facility expenses	1	20	73	-	94
Lease rental	-	49	46	-	95
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	-	7	(1)	-	6
Contribution and advance to post employment benefit plans	-	-	-	3,783	3,783
Purchase of property, plant and equipment	-	108	98	-	206
Advances given	-	1,013	98	-	1,111
Advances recovered	-	8	4	-	12
Advances taken	-	27	1	-	28
Dividend paid	18,177	8	2	-	18,187
Buy-back of shares	10,548	4	3	-	10,555

Notes forming part of Consolidated Financial Statements

(₹ crore)

	Year ended March 31, 2023				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	38	1,174	3,050	-	4,262
Purchases of goods and services (including reimbursements)	1	610	225	-	836
Brand equity contribution	227	-	-	-	227
Facility expenses	1	25	59	-	85
Lease rental	-	56	47	-	103
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	-	(1)	-	-	(1)
Contribution and advance to post employment benefit plans	-	-	-	2,955	2,955
Purchase of property, plant and equipment	-	13	137	-	150
Advances given	-	1	45	-	46
Advances recovered	-	1	15	-	16
Advances taken	-	25	4	-	29
Dividend paid	29,881	16	6	-	29,903

Balances receivable from related parties are as follows:

(₹ crore)

	As at March 31, 2024				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables and contract assets	5	411	1,509	-	1,925
Loans, other financial assets and other assets	2	1,238	9	-	1,249
	7	**1,649**	**1,518**	**-**	**3,174**

Notes forming part of Consolidated Financial Statements

(₹ crore)

	As at March 31, 2023				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables and contract assets	2	434	1,004	-	1,440
Loans, other financial assets and other assets	10	95	85	-	190
	12	**529**	**1,089**	**-**	**1,630**

Balances payable to related parties are as follows:

(₹ crore)

	As at March 31, 2024				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	355	1,003	428	-	1,786
Commitments	-	1,412	13	-	1,425

(₹ crore)

	As at March 31, 2023				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	213	377	322	278	1,190
Commitments	-	12	50	-	62

Material related party transactions are as follows:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		
Jaguar Land Rover Limited	2,902	1,707
Tata Steel IJmuiden BV	599	533
Tata Digital Private Limited	286	502
Purchases of goods and services (including reimbursements) and net of cost recovery		
Tejas Networks Limited	754	-
Advances given		
Tejas Networks Limited	960	-

Notes forming part of Consolidated Financial Statements

Material related party balances are as follows:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Trade receivables and contract assets		
Jaguar Land Rover Limited	898	482
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tejas Networks Limited	607	-
Loans, other financial assets and other assets		
Tejas Networks Limited	960	-

Transactions with key management personnel are as follows:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Short-term benefits	57	58
Dividend paid during the year	1	2
Post-employment benefits	2	-
	60	**60**

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

Transactions with key management personnel for the year ended March 31, 2023 did not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid were not available.

23) No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Group to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

24) The sitting fees and commission paid to non-executive directors is ₹15 crore and ₹13 crore as at March 31, 2024 and 2023, respectively.

25) The Board of Directors approved post-employment benefits, payable to the outgoing CEO and Managing Director, which has been actuarially valued. Accordingly, the Company has recorded an expense of ₹48 crore during the year ended March 31, 2024.

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

27) TCS Technology Solutions AG renamed as TCS Technology Solutions GmbH.

28) Saudi Desert Rose Holding B.V. merged with Tata Consultancy Services Netherlands BV w.e.f. August 29, 2023.

29) Diligenta Limited incorporated a subsidiary, Diligenta (Europe) B.V. in Netherlands on September 14, 2023.

Notes forming part of Consolidated Financial Statements

30) Dividends

Dividends paid during the year ended March 31, 2024 include an amount of ₹24.00 per equity share towards final dividend for the year ended March 31, 2023 and an amount of ₹45.00 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2024. Dividends paid during the year ended March 31, 2023 include an amount of ₹22.00 per equity share towards final dividend for the year ended March 31, 2022 and an amount of ₹91.00 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2023.

Dividends declared by the Company are based on profits available for distribution. On April 12, 2024, the Board of Directors of the Company have proposed a final dividend of ₹28.00 per share in respect of the year ended March 31, 2024 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹10,131 crore.

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Mumbai, April 12, 2024

For and on behalf of the Board

K Krithivasan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Samir Seksaria
CFO

Pradeep Manohar Gaitonde
Company Secretary

Mumbai, April 12, 2024