TATA CONSULTANCY SERVICES LIMITED
Standalone Interim Balance Sheet

	Note	As at December 31, 2024	As at March 31, 2024
			(₹ crore)
ASSETS			
Non-current assets			
Property, plant and equipment	8(a)	8,458	8,336
Capital work-in-progress	8(a)	1,258	1,450
Right-of-use assets	7	7,734	6,154
Intangible assets	8(b)	1,109	463
Financial assets			
Investments	6(a)	2,405	2,405
Trade receivables			
Billed	6(b)	98	127
Unbilled		39	65
Loans	6(e)	2	2
Other financial assets	6(f)	571	626
Deferred tax assets (net)		2,523	2,524
Income tax assets (net)		1,406	1,062
Other assets	8(c)	3,033	3,016
Total non-current assets		**28,636**	**26,230**
Current assets			
Inventories	8(d)	25	27
Financial assets			
Investments	6(a)	39,443	29,840
Trade receivables			
Billed	6(b)	46,112	38,591
Unbilled		7,036	7,477
Cash and cash equivalents	6(c)	4,141	3,644
Other balances with banks	6(d)	7,318	2,955
Loans	6(e)	70	317
Other financial assets	6(f)	2,396	1,559
Income tax assets (net)		226	111
Other assets	8(c)	12,649	10,397
Total current assets		**1,19,416**	**94,918**
TOTAL ASSETS		**1,48,052**	**1,21,148**
EQUITY AND LIABILITIES			
Equity			
Share capital	6(l)	362	362
Other equity		91,558	71,758
Total equity		**91,920**	**72,120**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		6,594	5,128
Other financial liabilities	6(g)	671	315
Employee benefit obligations	11	174	144
Deferred tax liabilities (net)		222	154
Unearned and deferred revenue		411	226
Total non-current liabilities		**8,072**	**5,967**
Current liabilities			
Financial liabilities			
Lease liabilities		1,024	1,017
Trade payables			
Dues of small enterprises and micro enterprises		91	79
Dues of creditors other than small enterprises and micro enterprises		16,562	14,520
Other financial liabilities	6(g)	6,845	6,286
Unearned and deferred revenue		3,291	2,811
Other liabilities	8(e)	4,727	4,458
Provisions	8(f)	80	71
Employee benefit obligations	11	3,617	3,332
Income tax liabilities (net)		11,823	10,487
Total current liabilities		**48,060**	**43,061**
TOTAL EQUITY AND LIABILITIES		**1,48,052**	**1,21,148**

NOTES FORMING PART OF STANDALONE INTERIM FINANCIAL STATEMENTS

As per our report of even date attached

For and on behalf of the Board

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

K Krithivasan
CEO and Managing Director
DIN: 10106739

Aarthi Subramanian
Director
DIN: 07121802

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai, January 09, 2025

Samir Seksaria
CFO

Yashaswin Sheth
Company Secretary

Mumbai, January 09, 2025

TATA CONSULTANCY SERVICES LIMITED

Standalone Interim Statement of Profit and Loss

(₹ crore)

	Note	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Revenue from operations	9	53,883	50,844	160,717	1,50,871
Other income	10	2,118	1,809	7,720	5,467
TOTAL INCOME		**56,001**	**52,653**	**168,437**	**1,56,338**
Expenses					
Employee benefit expenses	11	26,613	25,511	80,085	77,508
Cost of equipment and software licences	12(a)	3,463	1,120	8,699	1,863
Finance costs	13	211	204	502	476
Depreciation and amortisation expense		1,125	964	3,102	2,912
Other expenses	12(b)	9,080	9,850	28,073	30,199
TOTAL EXPENSES		**40,492**	**37,649**	**120,461**	**1,12,958**
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		**15,509**	**15,004**	**47,976**	**43,380**
Exceptional item					
Settlement of legal claim	17	-	958	-	958
PROFIT BEFORE TAX		**15,509**	**14,046**	**47,976**	**42,422**
Tax expense					
Current tax	14	3,638	3,263	11,049	10,253
Deferred tax	14	39	30	(14)	3
TOTAL TAX EXPENSE		**3,677**	**3,293**	**11,035**	**10,256**
PROFIT FOR THE PERIOD		**11,832**	**10,753**	**36,941**	**32,166**
OTHER COMPREHENSIVE INCOME (OCI)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined employee benefit plans		21	(100)	(29)	(113)
Income tax on items that will not be reclassified subsequently to profit or loss		(6)	22	7	25
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		(134)	54	312	29
Net change in intrinsic value of derivatives designated as cash flow hedges		29	(82)	19	(8)
Net change in time value of derivatives designated as cash flow hedges		22	-	-	(2)
Income tax on items that will be reclassified subsequently to profit or loss		20	5	(83)	18
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**(48)**	**(101)**	**226**	**(51)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**11,784**	**10,652**	**37,167**	**32,115**
Earnings per equity share:- Basic and diluted (₹)	15	32.71	29.45	102.11	87.97
Weighted average number of equity shares		361,80,87,518	365,10,36,706	361,80,87,518	365,63,70,102

NOTES FORMING PART OF STANDALONE INTERIM FINANCIAL STATEMENTS

As per our report of even date attached

For and on behalf of the Board

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Firm's registration no: 101248W/W-100022

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Director
DIN: 07121802

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai, January 09, 2025

Samir Seksaria
CFO

Yashaswin Sheth
Company Secretary

Mumbai, January 09, 2025

TATA CONSULTANCY SERVICES LIMITED
Standalone Interim Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2024	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2024	Changes in equity share capital during the period	Balance as at December 31, 2024
362	-	362	-	362

(₹ 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 period*	Balance as at December 31, 2023
366	-	366	(4)	362

*Refer note 6(l)

TATA CONSULTANCY SERVICES LIMITED
Standalone Interim Statement of Changes in Equity

B. OTHER EQUITY

(₹ crore)

	Reserves and surplus				Items of other comprehensive income			Total Equity
	Capital reserve*	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve: Intrinsic value	Cash flow hedging reserve: Time value	
Balance as at April 1, 2024	**-**	**21**	**16,234**	**55,173**	**339**	**9**	**(18)**	**71,758**
Profit for the period	-	-	-	36,941	-	-	-	36,941
Other comprehensive income / (losses)	-	-	-	(22)	234	13	1	226
Total comprehensive income	**-**	**-**	**-**	**36,919**	**234**	**13**	**1**	**37,167**
Dividend	-	-	-	(17,367)	-	-	-	(17,367)
Transfer from Special Economic Zone re-investment reserve	-	-	(9,775)	9,775	-	-	-	-
Balance as at December 31, 2024	**-**	**21**	**6,459**	**84,500**	**573**	**22**	**(17)**	**91,558**
Balance as at April 1, 2023	**-**	**17**	**11,809**	**62,228**	**138**	**8**	**(28)**	**74,172**
Profit for the period	-	-	-	32,166	-	-	-	32,166
Other comprehensive income / (losses)	-	-	-	(88)	45	(6)	(2)	(51)
Total comprehensive income	**-**	**-**	**-**	**32,078**	**45**	**(6)**	**(2)**	**32,115**
Dividend	-	-	-	(15,368)	-	-	-	(15,368)
Expenses for buy-back of equity shares[1]	-	-	-	(46)	-	-	-	(46)
Tax on buy-back of equity shares[1]	-	-	-	(3,959)	-	-	-	(3,959)
Buy-back of equity shares[1]	-	4	-	(17,000)	-	-	-	(16,996)
Transfer to Special Economic Zone re-investment reserve	-	-	7,300	(7,300)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	(3,762)	3,762	-	-	-	-
Balance as at December 31, 2023	**-**	**21**	**15,347**	**54,395**	**183**	**2**	**(30)**	**69,918**

*Represents value less than ₹0.50 crore.

[1]Refer note 6(I)

Loss of ₹22 crore and ₹88 crore on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for nine months ended December 31, 2024 and 2023, respectively.

Nature and purpose of reserves

(a) Capital reserve

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

(b) Capital redemption reserve

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

(c) Special Economic Zone re-investment reserve

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

(d) Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

(e) 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 statement of profit and loss respectively, when such instruments are disposed.

(f) Cash flow hedging reserve

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

NOTES FORMING PART OF STANDALONE INTERIM FINANCIAL STATEMENTS

As per our report of even date attached

For and on behalf of the Board

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Firm's registration no: 101248W/W-100022

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Aniruddha Godbole
Partner
Membership No: 105149

Mumbai, January 09, 2025

Samir Seksaria
CFO

Yashaswin Sheth
Company Secretary

Mumbai, January 09, 2025

TATA CONSULTANCY SERVICES LIMITED

Standalone Interim Statement of Cash Flows

		(₹ crore)
	Nine months ended December 31, 2024	**Nine months ended December 31, 2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	36,941	32,166
Adjustments for:		
Depreciation and amortisation expense	3,102	2,912
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	75	61
Tax expense	11,035	10,256
Net gain on lease modification	(10)	(1)
Unrealised foreign exchange (gain) / loss	(11)	(23)
Net gain on disposal of property, plant and equipment	(12)	(7)
Net gain on disposal / fair valuation of investments	(158)	(213)
Interest income	(2,205)	(2,690)
Dividend income (including exchange impact)	(5,175)	(2,407)
Finance costs	502	476
Operating profit before working capital changes	**44,084**	**40,530**
Net change in		
Inventories	2	(3)
Trade receivables		
Billed	(7,554)	(3,616)
Unbilled	467	474
Loans and other financial assets	(425)	(127)
Other assets	(2,216)	(1,695)
Trade payables	2,054	875
Unearned and deferred revenue	665	(585)
Other financial liabilities	31	(769)
Other liabilities and provisions	591	928
Cash generated from operations	**37,699**	**36,012**
Taxes paid (net of refunds)	(10,165)	(8,203)
Net cash generated from operating activities	**27,534**	**27,809**
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(4,363)	(3,577)
Purchase of investments	(92,923)	(101,439)
Payment for purchase of property, plant and equipment	(1,796)	(992)
Payment including advances for acquiring right-of-use assets	(87)	(14)
Payment for purchase of intangible assets	(140)	(369)
Proceeds from bank deposits	-	4,777
Proceeds from disposal / redemption of investments	83,858	106,960
Proceeds from sub-lease receivable	13	7
Proceeds from disposal of property, plant and equipment	13	13
Interest received	1,900	2,104
Dividend received from subsidiaries	5,175	2,654
Net cash generated from / (used in) investing activities	**(8,350)**	**10,124**

TATA CONSULTANCY SERVICES LIMITED
Standalone Interim Statement of Cash Flows

		(₹ crore)
	Nine months ended December 31, 2024	**Nine months ended December 31, 2023**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(862)	(799)
Interest paid	(484)	(395)
Dividend paid	(17,367)	(15,368)
Transfer of funds to buy-back escrow account	-	(425)
Transfer of funds from buy-back escrow account	-	425
Expenses for buy-back of equity shares (Refer note 6(I))	-	(46)
Tax on buy-back of equity shares (Refer note 6(I))	-	(3,959)
Buy-back of equity shares (Refer note 6(I))	-	(17,000)
Net cash used in financing activities	**(18,713)**	**(37,567)**
Net change in cash and cash equivalents	**471**	**366**
Cash and cash equivalents at the beginning of the period	3,644	1,462
Exchange difference on translation of foreign currency cash and cash equivalents	26	46
Cash and cash equivalents at the end of the period	**4,141**	**1,874**
Components of cash and cash equivalents		
Balances with banks		
In current accounts	876	1,036
In deposit accounts	3,261	838
Cheques on hand	-*	-*
Cash on hand	-*	-*
Remittances in transit	4	-*
	4,141	**1,874**

*Represents value less than ₹0.50 crore.

NOTES FORMING PART OF STANDALONE INTERIM FINANCIAL STATEMENTS

As per our report of even date attached

For and on behalf of the Board

For **B S R & Co. LLP**
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Partner
Membership No: 105149

Mumbai, January 09, 2025

Samir Seksaria
CFO

Yashaswin Sheth
Company Secretary

Mumbai, January 09, 2025

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of standalone interim financial statements

1) Corporate information

Tata Consultancy Services Limited (referred to as "TCS Limited" or "the Company") provides IT services, consulting and business solutions and has been partnering with many of the world's largest businesses in their transformation journeys. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai - 400001. As at December 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 standalone interim financial statements for nine months ended December 31, 2024 and authorised for issue on January 09, 2025.

2) Statement of compliance

These standalone interim financial statements have been prepared in accordance with the Indian Accounting Standard (Ind AS), including the requirements of Ind AS 34 - Interim Financial Reporting, 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 standalone interim financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows 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 Company are segregated. The Company 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.

These standalone interim financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet 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 standalone interim financial statements have been discussed in the respective notes.

4) Use of estimates and judgements

The preparation of standalone interim financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone interim 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 Company uses the following critical accounting judgements, estimates and assumptions in preparation of its standalone interim financial statements:

(a) Revenue recognition

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

The Company 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 9).

(b) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods (Refer note 8(a)).

(c) Impairment of investments in subsidiaries

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

(d) Fair value measurement of financial instruments

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

(e) 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 6).

(f) Deferred tax assets

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(g) Provisions and contingent liabilities

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

The Company uses significant judgements to 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone interim financial statements.

(h) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note (Refer note 11).

(i) Leases

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

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

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

5) Recent 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. During nine months ended December 31, 2024, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

6) Financial assets, financial liabilities and equity instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, 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 Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid 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.

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

Financial assets at fair value through profit or loss

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

Investment in subsidiaries

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

Financial liabilities

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

Equity instruments

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

Derivative accounting

- **Instruments in hedging relationship**

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

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

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

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

Impairment of financial assets (other than at fair value)

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

(a) Investments

Investments consist of the following:

Investments – Non-current

		(₹ crore)
	As at December 31, 2024	**As at March 31, 2024**
Investment in subsidiaries		
Fully paid equity shares (unquoted)	2,405	2,405
Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)		
Taj Air Limited	19	19
Less: Impairment in value of investments	(19)	(19)
	2,405	**2,405**

Investments – Current

		(₹ crore)
	As at December 31, 2024	**As at March 31, 2024**
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	3,607	749
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	24,949	24,746
Corporate bonds and debentures (quoted)	4,939	3,406
Investments carried at amortised cost		
Certificate of deposits (quoted)	3,518	-
Commercial papers (quoted)	2,430	939
	39,443	**29,840**

Government bonds and securities includes bonds pledged with bank for credit facility amounting to ₹2,700 crore and NIL as at December 31, 2024 and March 31, 2024, respectively.

Aggregate value of quoted and unquoted investments is as follows:

		(₹ crore)
	As at December 31, 2024	**As at March 31, 2024**
Aggregate value of quoted investments	39,443	29,840
Aggregate value of unquoted investments (net of impairment)	2,405	2,405
Aggregate market value of quoted investments	39,443	29,841
Aggregate value of impairment of investments	19	19

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

	As at December 31, 2024	As at March 31, 2024
	(₹ crore)	
Certificate of deposits	3,518	-
Commercial papers	2,430	940

Carrying value of investment in equity instruments is as follows:

(₹ crore)

In Numbers	Currency	Face value per share	Investment in subsidiaries	As at December 31, 2024	As at March 31, 2024
			Fully paid equity shares (unquoted)		
212,27,83,424	UYU	1	TCS Iberoamerica S.A.	461	461
15,75,300	INR	10	APTOnline Limited	-	-
1,300	EUR	-	Tata Consultancy Services Belgium	1	1
66,000	EUR	1,000	Tata Consultancy Services Netherlands B.V.	403	403
1,000	SEK	100	Tata Consultancy Services Sverige Aktiebolag	19	19
1	EUR	-	Tata Consultancy Services Deutschland GmbH	2	2
20,000	USD	10	Tata America International Corporation	453	453
75,82,820	SGD	1	Tata Consultancy Services Asia Pacific Pte. Ltd.	19	19
3,72,58,815	AUD	1	TCS FNS Pty Limited	212	212
10,00,001	GBP	1	Diligenta Limited	429	429
1,000	USD	-	Tata Consultancy Services Canada Inc.	-*	-*
100	CAD	70,653.61	Tata Consultancy Services Canada Inc.	31	31
51,00,000	INR	10	C-Edge Technologies Limited	5	5
8,90,000	INR	10	MP Online Limited	1	1
1,40,00,000	ZAR	1	Tata Consultancy Services (Africa) (Proprietary) Limited	66	66
18,89,005	INR	10	MahaOnline Limited	2	2
-	QAR	-	Tata Consultancy Services Qatar	2	2
10,00,000	INR	100	TCS e-Serve International Limited	10	10
1,00,500	GBP	0.00001	Tata Consultancy Services UK Limited	66	66
2,50,00,000	EUR	1	Tata Consultancy Services Ireland Limited	224	224
10,00,000	INR	10	TCS Foundation	-	-
				2,405	**2,405**

(₹ crore)

In Numbers	Currency	Face value per share	Equity instruments designated at fair value through OCI	As at December 31, 2024	As at March 31, 2024
			Fully paid equity shares (unquoted)		
1,90,00,000	INR	10	Taj Air Limited	19	19
			Less : Impairment in value of investments	(19)	(19)
				-	-

*Represents value less than ₹0.50 crore.

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

		(₹ crore)
	As at December 31, 2024	**As at March 31, 2024**
Balance at the beginning of the period	**339**	**138**
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	314	248
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(79)	(39)
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	(1)	(11)
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
Balance at the end of the period	**573**	**339**

(b) Trade receivables - Billed

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

Trade receivables - Billed – Non-current

		(₹ crore)
	As at December 31, 2024	**As at March 31, 2024**
Trade receivables - Billed	790	760
Less: Allowance for expected credit losses	(692)	(633)
Considered good	**98**	**127**

Trade receivables - Billed – Current

		(₹ crore)
	As at December 31, 2024	**As at March 31, 2024**
Trade receivables - Billed	46,348	38,856
Less: Allowance for expected credit losses	(300)	(320)
Considered good	**46,048**	**38,536**
Trade receivables - Billed	222	190
Less: Allowance for expected credit losses	(158)	(135)
Credit impaired	**64**	**55**
	46,112	**38,591**

Above balances of trade receivables – billed include balances with related parties (Refer note 18).

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
Balances with banks		
In current accounts	876	1,359
In deposit accounts	3,261	2,285
Cheques on hand	-*	-*
Cash on hand	-*	-*
Remittances in transit	4	-*
	4,141	**3,644**

*Represents value less than ₹0.50 crore.

(d) Other balances with banks

Other balances with banks consist of the following:

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
Earmarked balances with banks	456	455
Short-term bank deposits	6,862	2,500
	7,318	**2,955**

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

(e) Loans

Loans (unsecured) consist of the following:

Loans – Non-current

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
Considered good		
Loans to employees	2	2
	2	**2**

Loans – Current

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
Considered good		
Loans to employees	70	317
	70	**317**

(f) Other financial assets

Other financial assets consist of the following:

Other financial assets – Non-current

	As at December 31, 2024	**As at March 31, 2024**
		(₹ crore)
Security deposits	544	600
Long-term bank deposits	12	12
Interest receivable	1	-
Others	14	14
	571	**626**

Other financial assets – Current

	As at December 31, 2024	**As at March 31, 2024**
		(₹ crore)
Security deposits	318	320
Fair value of foreign exchange derivative assets	189	113
Interest receivable	876	665
Advances to employees	232	261
Less: Allowance for advances to employees	(48)	(41)
Others	829	241
	2,396	**1,559**

(g) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Non-current

	As at December 31, 2024	**As at March 31, 2024**
		(₹ crore)
Capital creditors	70	69
Liabilities towards customer contracts	352	-
Others	249	246
	671	**315**

Others include advance taxes paid of ₹226 crore and ₹226 crore as at December 31, 2024 and March 31, 2024, 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 December 31, 2024	As at March 31, 2024
Accrued payroll	3,571	3,957
Unclaimed dividends	55	53
Fair value of foreign exchange derivative liabilities	316	109
Capital creditors	1,505	582
Liabilities towards customer contracts	1,201	1,419
Others	197	166
	6,845	**6,286**

(h) Financial instruments by category

The carrying value of financial instruments by categories as at December 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	-	-	-	-	4,141	4,141
Bank deposits	-	-	-	-	6,874	6,874
Earmarked balances with banks	-	-	-	-	456	456
Investments (other than in subsidiary)	3,607	29,888	-	-	5,948	39,443
Trade receivables						
Billed	-	-	-	-	46,210	46,210
Unbilled	-	-	-	-	7,075	7,075
Loans	-	-	-	-	72	72
Other financial assets	-	-	65	124	2,766	2,955
	3,607	**29,888**	**65**	**124**	**73,542**	**1,07,226**
Financial liabilities						
Trade payables	-	-	-	-	16,653	16,653
Lease liabilities	-	-	-	-	7,618	7,618
Other financial liabilities	-	-	-	316	7,200	7,516
	-	**-**	**-**	**316**	**31,471**	**31,787**

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	-	-	-	-	3,644	3,644
Bank deposits	-	-	-	-	2,500	2,500
Earmarked balances with banks	-	-	-	-	455	455
Investments (other than in subsidiary)	749	28,152	-	-	939	29,840
Trade receivables						
Billed	-	-	-	-	38,718	38,718
Unbilled	-	-	-	-	7,542	7,542
Loans	-	-	-	-	319	319
Other financial assets	-	-	46	67	2,072	2,185
	749	**28,152**	**46**	**67**	**56,189**	**85,203**
Financial liabilities						
Trade payables	-	-	-	-	14,599	14,599
Lease liabilities	-	-	-	-	6,145	6,145
Other financial liabilities	-	-	-	109	6,492	6,601
	-	**-**	**-**	**109**	**27,236**	**27,345**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at December 31, 2024 and March 31, 2024, 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 ₹5,948 crore and ₹940 crore as at December 31, 2024 and March 31, 2024 respectively.

(i) Fair value hierarchy

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

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

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

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

(₹ crore)

As at December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	3,607	-	-	3,607
Equity shares	-	-	-	-
Government bonds and securities	24,949	-	-	24,949
Corporate bonds and debentures	4,939	-	-	4,939
Certificate of deposits	3,518	-	-	3,518
Commercial papers	2,430	-	-	2,430
Fair value of foreign exchange derivative assets	-	189	-	189
	39,443	**189**	**-**	**39,632**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	316	-	316
	-	**316**	**-**	**316**

(₹ crore)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	749	-	-	749
Equity shares	-	-	-	-
Government bonds and securities	24,746	-	-	24,746
Corporate bonds and debentures	3,406	-	-	3,406
Commercial papers	940	-	-	940
Fair value of foreign exchange derivative assets	-	113	-	113
	29,841	**113**	**-**	**29,954**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	109	-	109
	-	**109**	**-**	**109**

(j) Derivative financial instruments and hedging activity

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

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

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

	As at December 31, 2024			As at March 31, 2024		
Foreign currency	**No. of contracts**	**Notional amount of contracts (In million)**	**Fair value (₹ crore)**	**No. of contracts**	**Notional amount of contracts (In million)**	**Fair value (₹ crore)**
US Dollar	-	-	-	19	475	6
Great Britain Pound	27	245	37	29	230	24
Euro	26	240	28	28	235	16

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

(₹ crore)

	Nine months ended December 31, 2024		Year ended March 31, 2024	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the period	**9**	**(18)**	**8**	**(28)**
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	(158)	172	(139)	241
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	40	(45)	31	(55)
Change in the fair value of effective portion of cash flow hedges	177	(172)	140	(228)
Deferred tax on change in the fair value of effective portion of cash flow hedges	(46)	46	(31)	52
Balance at the end of the period	**22**	**(17)**	**9**	**(18)**

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at December 31, 2024 and March 31, 2024, the notional amount of outstanding contracts aggregated to ₹52,762 crore and ₹49,180 crore, respectively, and the respective fair value of these contracts have a net loss of ₹192 crore and loss of ₹42 crore.

Exchange gain of ₹280 crore and loss of ₹411 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the standalone interim statement of profit and loss for three months ended December 31, 2024 and 2023, respectively.

Exchange loss of ₹293 crore and ₹281 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the standalone interim statement of profit and loss for nine months ended December 31, 2024 and 2023, respectively.

Net foreign exchange gain / (loss) include gain of ₹67 crore and loss of ₹11 crore transferred from cash flow hedging reserve for three months ended December 31, 2024 and 2023, respectively.

Net foreign exchange gain / (loss) include loss of ₹14 crore and ₹62 crore transferred from cash flow hedging reserve for nine months ended December 31, 2024 and 2023, respectively.

Net gain on derivative instruments of ₹5 crore recognised in cash flow hedging reserve as at December 31, 2024, is expected to be transferred to the statement of profit and loss by December 31, 2025. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2025.

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

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
10% Appreciation of the underlying foreign currencies	-	-
10% Depreciation of the underlying foreign currencies	534	910

(k) Financial risk management

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

Market risk

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

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

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

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

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

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the 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 Company as disclosed in note 6(j).

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

				(₹ crore)
	USD	**EUR**	**GBP**	**Others**
Net financial assets	3,080	327	127	5,875
Net financial liabilities	(12,455)	(289)	(66)	(719)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹412 crore for the period ended December 31, 2024.

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	4,243	507	379	2,143
Net financial liabilities	(11,238)	(760)	(2,215)	(1,530)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹847 crore for the year ended March 31, 2024.

- **Interest rate risk**

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

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Refer note 4 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. Bank deposits include an amount of ₹6,862 crore held with two banks having high credit rating which are individually in excess of 10% or more of the Company's total bank deposits as at December 31, 2024. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹1,12,518 crore and ₹90,407 crore as at December 31, 2024 and March 31, 2024, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, loans, contract assets and other financial assets.

The Company's exposure to customers is diversified. As at 31st December, 2024, a single customer held more than 10% of the outstanding of trade receivables and contract assets at 10.41%. As at March 31, 2024, no single customer held more than 10% of outstanding of trade receivables and contract assets.

- **Geographic concentration of credit risk**

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

	As at December 31, 2024		As at March 31, 2024	
	Gross%	Net%	Gross%	Net%
United States of America	46.53%	47.27%	52.31	53.20
India	22.80%	21.54%	13.22	11.68
United Kingdom	13.74%	13.97%	16.47	16.78

Geographic 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 period ended December 31, 2024 and year ended March 31, 2024 was ₹61 crore and ₹88 crore, respectively. The reconciliation of allowance for expected credit losses is as follows:

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
Balance at the beginning of the period	**1,088**	**1,099**
Change during the period	61	88
Bad debts written off	-	(98)
Translation Exchange difference	1	(1)
Balance at the end of the period	**1,150**	**1,088**

Liquidity risk

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

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

(₹ crore)

December 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	16,653	-	-	-	16,653
Lease liabilities	1,566	1,414	3,305	4,219	10,504
Other financial liabilities	6,499	204	448	22	7,173
	24,718	**1,618**	**3,753**	**4,241**	**34,330**
Derivative financial liabilities	316	-	-	-	316
	25,034	**1,618**	**3,753**	**4,241**	**34,646**

(₹ 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	14,599	-	-	-	14,599
Lease liabilities	1,421	1,264	2,671	2,696	8,052
Other financial liabilities	6,182	39	262	19	6,502
	22,202	**1,303**	**2,933**	**2,715**	**29,153**
Derivative financial liabilities	109	-	-	-	109
	22,311	**1,303**	**2,933**	**2,715**	**29,262**

(l) Equity instruments

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

(₹ crore)

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

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 Company bought back 4,09,63,855 equity shares for an aggregate amount of ₹17,000 crore being 1.12% of the total paid up equity share capital at ₹4,150 per equity share in the previous year. The equity shares bought back were extinguished on December 13, 2023.

I. Reconciliation of number of shares

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

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 December 31, 2024	As at March 31, 2024
Equity shares		
Holding company		
259,54,99,419 equity shares (March 31, 2024: 259,54,99,419 equity shares) are held by Tata Sons Private Limited	260	260
Subsidiaries and Associates of Holding company		
7220 equity shares (March 31, 2024: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,04,425 equity shares (March 31, 2024: 10,04,425 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2024: 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2024: 766 equity shares) are held by The Tata Power Company Limited*	-	-
	260	**260**

*Equity shares having value less than ₹0.50 crore.

7) Leases

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

Company as a lessee

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use 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.

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

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

Company as a lessor

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

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

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

(₹ crore)

	Additions for nine months ended December 31, 2024	**Net carrying amount as at December 31, 2024**
Leasehold land	-	919
Buildings	2,535	6,610
Leasehold improvement	40	38
Computer equipment	-	126
Software licences	-	38
Vehicles	-	1
Furniture and fixtures	-	2
	2,575	**7,734**

(₹ crore)

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Leasehold land	-	928
Buildings	1,489	5,010
Leasehold improvement	-	1
Computer equipment	124	152
Software licences	-	60
Vehicles	1	1
Furniture and fixtures	2	2
	1,616	**6,154**

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

(₹ crore)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Leasehold land	3	3	9	9
Buildings	310	267	900	800
Leasehold improvement	2	-	3	1
Computer equipment	8	4	26	12
Software licences	7	9	22	27
Vehicles	-*	-*	-*	-*
Furniture and fixtures	-*	-	-*	-
	330	**283**	**960**	**849**

***Represents value less than ₹0.50 crore.

Interest on lease liabilities is ₹143 crore and ₹106 crore for three months ended December 31, 2024 and 2023, respectively.

Interest on lease liabilities is ₹413 crore and ₹322 crore for nine months ended December 31, 2024 and 2023, respectively.

The Company incurred ₹44 crore and ₹59 crore for three months ended December 31, 2024 and 2023, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The Company incurred ₹142 crore and ₹175 crore for nine months ended December 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 ₹478 crore and ₹434 crore for three months ended December 31, 2024 and 2023, respectively, including cash outflow for short term leases and leases of low-value assets.

The total cash outflow for leases is ₹1,504 crore and ₹1,310 crore for nine months ended December 31, 2024 and 2023, respectively, including cash outflow for short term leases and leases of low-value assets.

The Company has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is ₹921 crore and ₹815 crore as at December 31, 2024 and March 31, 2024, respectively.

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

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

8) Non-financial assets and non-financial liabilities

(a) Property, plant and equipment

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

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives 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 Company 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.

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, 2024	**323**	**8,163**	**1,968**	**861**	**11,435**	**43**	**2,611**	**1,968**	**1,690**	**29,062**
Additions	-	452	23	105	794	7	175	128	130	1,814
Disposals	-	(1)	(20)	-	(318)	(2)	(26)	(10)	(8)	(385)
Cost as at December 31, 2024	**323**	**8,614**	**1,971**	**966**	**11,911**	**48**	**2,760**	**2,086**	**1,812**	**30,491**
Accumulated depreciation as at April 1, 2024	**-**	**(4,078)**	**(1,408)**	**(526)**	**(9,287)**	**(35)**	**(2,332)**	**(1,576)**	**(1,484)**	**(20,726)**
Depreciation	-	(307)	(84)	(66)	(972)	(4)	(104)	(91)	(63)	(1,691)
Disposals	-	1	20	-	317	2	26	10	8	384
Accumulated depreciation as at December 31, 2024	**-**	**(4,384)**	**(1,472)**	**(592)**	**(9,942)**	**(37)**	**(2,410)**	**(1,657)**	**(1,539)**	**(22,033)**
Net carrying amount as at December 31, 2024	**323**	**4,230**	**499**	**374**	**1,969**	**11**	**350**	**429**	**273**	**8,458**
Capital work-in-progress										1,258
Total										**9,716**

(₹ 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	**323**	**7,966**	**1,925**	**808**	**10,947**	**40**	**2,492**	**1,926**	**1,553**	**27,980**
Additions	-	201	94	55	718	6	154	79	143	1,450
Disposals	-	(4)	(51)	(2)	(230)	(3)	(35)	(37)	(6)	(368)
Cost as at March 31, 2024	**323**	**8,163**	**1,968**	**861**	**11,435**	**43**	**2,611**	**1,968**	**1,690**	**29,062**
Accumulated depreciation as at April 1, 2023	-	**(3,675)**	**(1,340)**	**(444)**	**(8,179)**	**(34)**	**(2,217)**	**(1,488)**	**(1,417)**	**(18,794)**
Depreciation	-	(407)	(119)	(83)	(1,336)	(4)	(149)	(123)	(73)	(2,294)
Disposals	-	4	51	1	228	3	34	35	6	362
Accumulated depreciation as at March 31, 2024	**-**	**(4,078)**	**(1,408)**	**(526)**	**(9,287)**	**(35)**	**(2,332)**	**(1,576)**	**(1,484)**	**(20,726)**
Net carrying amount as at March 31, 2024	**323**	**4,085**	**560**	**335**	**2,148**	**8**	**279**	**392**	**206**	**8,336**
Capital work-in-progress										1,450
Total										**9,786**

Changes in Capital work-in progress are as follows:

	Nine months ended December 31, 2024	Year ended March 31, 2024
		(₹ crore)
Balance at the beginning of the period	**1,450**	**1,103**
Addition during the period	1,622	1,797
Capitalised during the period	(1,814)	(1,450)
Balance at the end of the period	**1,258**	**1,450**

(b) Intangible assets

Intangible assets purchased 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 which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

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

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

Intangible assets consist of the following:

	(₹ crore) Rights under licensing agreement and software licences
Cost as at April 1, 2024	**1,818**
Additions	1,097
Disposals / Derecognised	(105)
Cost as at December 31, 2024	**2,810**
Accumulated amortisation as at April 1, 2024	**(1,355)**
Amortisation	(451)
Disposals / Derecognised	105
Accumulated amortisation as at December 31, 2024	**(1,701)**
Net carrying amount as at December 31, 2024	**1,109**

	(₹ crore) Rights under licensing agreement and software licences
Cost as at April 1, 2023	**1,727**
Additions	99
Disposals / Derecognised	(8)
Cost as at March 31, 2024	**1,818**
Accumulated amortisation as at April 1, 2023	**(918)**
Amortisation	(445)
Disposals / Derecognised	8
Accumulated amortisation as at March 31, 2024	**(1,355)**
Net carrying amount as at March 31, 2024	**463**

The estimated amortisation for the periods subsequent to December 31, 2024 is as follows:

	(₹ crore)
Period ending December 31,	**Amortisation expense**
2025	930
2026	114
2027	54
2028	11
	1,109

(c) Other assets

Other assets consist of the following:

Other assets – Non-current

		(₹ crore)
	As at December 31, 2024	**As at March 31, 2024**
Considered good		
Capital advances	114	88
Advances to related parties	246	196
Contract assets	173	206
Prepaid expenses	2,182	2,223
Contract fulfillment costs	139	129
Others	179	174
	3,033	**3,016**
Advances to related parties, considered good, comprise:		
Tata Realty and Infrastructure Limited	-*	-*
Tata Projects Limited	243	191
Titan Engineering and Automation Limited	2	3
Universal MEP Projects & Engineering Services Limited	1	2

***Represents value less than ₹0.50 crore.**

Other assets – Current

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
Considered good		
Advance to suppliers	86	109
Advance to related parties	1,527	1,023
Contract assets	5,119	4,998
Prepaid expenses	2,869	1,839
Contract fulfillment costs	1,395	995
Indirect taxes recoverable	1,348	1,152
Others	305	281
Considered doubtful		
Advance to suppliers	2	2
Other advances	2	2
Less: Allowance for doubtful assets	(4)	(4)
	12,649	**10,397**
Advance to related parties, considered good comprise:		
Tata AIG General Insurance Company Limited	3	7
Tejas Networks Limited	1,460	960
Tata Consultancy Services Deutschland GmbH	12	12
Tata Consultancy Services De Mexico, S.A. De C.V.	4	3
Tata Consultancy Services (South Africa) (Proprietary) Limited	1	1
TCS Financial Solutions Australia Pty Ltd	1	-
Tata Consultancy Services Do Brasil Ltda.	1	1
Tata Consultancy Services Italia S.R.L.	1	1
Tata Consultancy Services Japan, Ltd.	2	2
Tata America International Corporation	41	35
Tata Consultancy Services (China) Co., Ltd.	1	1

Non-current – Others includes advance of ₹177 crore and ₹174 crore towards acquiring right-of-use of leasehold land as at December 31, 2024 and March 31, 2024, respectively.

Contract fulfillment costs of ₹619 crore and ₹464 crore for the period ended December 31, 2024 and year ended March 31, 2024 respectively, have been amortised in the standalone statement of profit and loss. Refer note 9 for the changes in contract assets.

(d) Inventories

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

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
Raw materials, sub-assemblies and components	21	27
Finished goods and work-in-progress	4	-*
	25	**27**

*Represents value less than ₹0.50 crore.

(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

	As at December 31, 2024	As at March 31, 2024
		(₹ crore)
Advance received from customers	1,813	1,757
Indirect taxes payable and other statutory liabilities	2,422	2,350
Others	492	351
	4,727	**4,458**

(f) Provisions

Provisions consist of the following:

Provisions – Current

	As at December 31, 2024	As at March 31, 2024
		(₹ crore)
Provision for foreseeable loss	79	70
Other provisions	1	1
	80	**71**

9) Revenue recognition

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

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

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

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

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

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

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

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

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

Contract assets are recognised when there 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

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

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

Revenue disaggregation by nature of services is as follows:

(₹ crore)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Consultancy services	53,097	50,009	1,58,856	1,49,236
Sale of equipment and software licences	786	835	1 861	1,635
	53,883	**50,844**	**1,60,717**	**1,50,871**

Revenue disaggregation by industry vertical is as follows:

(₹ crore)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Banking, Financial Services and Insurance	18,472	17,620	55,157	53,501
Manufacturing	4,935	4,768	15,035	13,914
Consumer Business	8,768	8,636	26,321	25,949
Communication, Media and Technology	10,935	8,834	31,693	25,865
Life Sciences and Healthcare	5,779	6,129	18,055	18,204
Others	4,994	4,857	14,456	13,438
	53,883	**50,844**	**1,60,717**	**1,50,871**

Revenue disaggregation by geography is as follows:

(₹ crore)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Americas	28,751	28,961	86,649	87,150
Europe	14,527	14,065	44,279	41,993
India	6,125	3,566	16,209	9,145
Others	4,480	4,252	13,580	12,583
	53,883	**50,844**	**1,60,717**	**1,50,871**

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

Information about major customers

No single customer represents 10% or more of the Company’s total revenue during the three months and nine months ended December 31, 2024 and 2023 respectively.

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

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹1,42,771 crore out of which 47.96% 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:

	Nine months ended December 31, 2024	Year ended March 31, 2024
		(₹ crore)
Balance at the beginning of the period	**5,204**	**4,831**
Invoices raised that were included in the contract assets balance at the beginning of the period	(3,632)	(3,278)
Increase due to revenue recognised during the period, excluding amounts billed during the period	3,649	3,595
Translation exchange difference	71	56
Balance at the end of the period	**5,292**	**5,204**

Changes in unearned and deferred revenue are as follows:

	Nine months ended December 31, 2024	Year ended March 31, 2024
		(₹ crore)
Balance at the beginning of the period	**3,037**	**3,604**
Revenue recognised that was included in the contract liability balance at the beginning of the period	(2,708)	(3,110)
Increase due to invoicing during the period, excluding amounts recognised as revenue during the period	3,349	2,541
Translation exchange difference	24	2
Balance at the end of the period	**3,702**	**3,037**

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

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
				(₹ crore)
Contracted price	54,822	51,681	1,63,252	1,53,394
Reductions towards variable consideration components	(939)	(837)	(2,535)	(2,523)
Revenue recognised	**53 883**	**50 844**	**1,60,717**	**1,50,871**

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

10) 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)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Interest income	846	800	2,205	2,690
Dividend income	1,058	961	5,174	2,416
Net gain on disposal / fair valuation of investments carried at fair value through profit or loss	66	82	157	202
Net gain on sale of investments other than equity shares carried at fair value through OCI	-	6	1	11
Net gain on disposal of property, plant and equipment	5	5	12	7
Net gain on lease modification	2	1	10	1
Net foreign exchange gain / (loss)	125	(65)	105	83
Rent income	5	6	17	18
Other income	11	13	39	39
	2,118	**1,809**	**7,720**	**5,467**
Interest income comprise:				
Interest on bank balances and bank deposits	196	119	393	335
Interest on financial assets carried at amortised cost	80	123	162	307
Interest on financial assets carried at fair value through OCI	543	550	1,590	1,669
Other interest (including interest on tax refunds)	27	8	60	379
Dividend income comprise:				
Dividend from subsidiaries	1,058	961	5,174	2,416

11) Employee benefits

Defined benefit plans

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

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

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

Defined contribution plans

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

The Company provides benefits such as superannuation 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)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Salaries, incentives and allowances	24,034	23,091	72,125	70,112
Contributions to provident and other funds	1,881	1,743	5,684	5,254
Staff welfare expenses	698	677	2,276	2,142
	26,613	**25,511**	**80,085**	**77,508**

Employee benefit obligations consist of the following:

Employee benefit obligations – Non-current

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
Foreign defined benefit plans	31	29
Other employee benefit obligations	143	115
	174	**144**

Employee benefit obligations – Current

(₹ crore)

	As at December 31, 2024	As at March 31, 2024
Compensated absences	3,580	3,300
Other employee benefit obligations	37	32
	3,617	**3,332**

Employee benefit plans consist of the following:

Gratuity and pension

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

	As at December 31, 2024				As at March 31, 2024			
	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total
Change in benefit obligations								
Benefit obligations, beginning of the period	**5,273**	**1**	**29**	**5,303**	**4,643**	**1**	**28**	**4,672**
Translation exchange difference	-	-	1	1	-	-	-	-
Changes due to inter-company transfers	-	-	-	-	1	-	-	1
Service cost	397	-	3	400	481	-	4	485
Interest cost	291	-	1	292	361	-	1	362
Remeasurement of the net defined benefit liability	114	-	2	116	168	-	2	170
Benefits paid	(270)	-	(5)	(275)	(381)	-	(6)	(387)
Benefit obligations, end of the period	**5,805**	**1**	**31**	**5,837**	**5,273**	**1**	**29**	**5,303**

(₹ crore)

	As at December 31, 2024				As at March 31, 2024			
	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total
Change in plan assets								
Fair value of plan assets, beginning of the period	**7,214**	**1**	**-**	**7,215**	**6,389**	**1**	**-**	**6,390**
Changes due to inter-company transfers	-	-	-	-	1	-	-	1
Interest income	393	-	-	393	500	-	-	500
Employers' contributions	270	-	-	270	595	-	-	595
Benefits paid	(270)	-	-	(270)	(381)	-	-	(381)
Remeasurement - return on plan assets excluding amount included in interest income	87	-	-	87	110	-	-	110
Fair value of plan assets, end of the period	**7,694**	**1**	**-**	**7,695**	**7,214**	**1**	**-**	**7,215**

(₹ crore)

	As at December 31, 2024				As at March 31, 2024			
	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total
Funded status								
Deficit of plan assets over obligations	-	-	(31)	(31)	-	-	(29)	(29)
Surplus of plan assets over obligations	1,889	-	-	1,889	1,941			1,941
	1,889	**-**	**(31)**	**1,858**	**1,941**	**-**	**(29)**	**1,912**

(₹ crore)

	As at December 31, 2024				As at March 31, 2024			
	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total
Category of assets								
Corporate bonds	2,004	-	-	2,004	1,960	-	-	1,960
Equity instruments	262	-	-	262	201	-	-	201
Government bonds and securities	3,426	-	-	3,426	3,172	-	-	3,172
Insurer managed funds	1,837	1	-	1,838	1,729	1	-	1,730
Bank balances	26	-	-	26	10	-	-	10
Others	139	-	-	139	142	-	-	142
	7,694	**1**	**-**	**7,695**	**7,214**	**1**	**-**	**7,215**

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

(₹ crore)

	As at December 31, 2024				As at March 31, 2024			
	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total
Service cost	397	-	3	400	481	-	4	485
Net interest on net defined benefit asset	(102)	-	1	(101)	(139)	-	1	(138)
Net periodic gratuity / pension cost	**295**	**-**	**4**	**299**	**342**	**-**	**5**	**347**
Actual return on plan assets	**480**	**-**	**-**	**480**	**610**	**-**	**-**	**610**

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

(₹ crore)

	As at December 31, 2024			
	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial gains arising from changes in demographic assumptions	-	-	-	-
Actuarial losses arising from changes in financial assumptions	66	-	-	66
Actuarial losses arising from changes in experience adjustments	48	-	2	50
Remeasurement of the net defined benefit liability	114	-	2	116
Remeasurement - return on plan assets excluding amount included in interest income	(87)	-	-	(87)
	27	**-**	**2**	**29**

(₹ crore)

	As at March 31, 2024			
	Domestic plans Funded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial gains arising from changes in demographic assumptions	(2)	-	-	(2)
Actuarial losses arising from changes in financial assumptions	66	-	-	66
Actuarial (gains) and losses arising from changes in experience adjustments	104	-	2	106
Remeasurement of the net defined benefit liability	**168**	**-**	**2**	**170**
Remeasurement - return on plan assets excluding amount included in interest income	(110)	-	-	(110)
	58	**-**	**2**	**60**

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

	As at December 31, 2024		As at March 31, 2024	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	7.00%	3.50%-4.80%	7.25%	3.50%-4.80%
Rate of increase in compensation levels of covered employees	6.00%	2.68% - 3.63%	6.00%	2.68% - 3.63%
Rate of return on plan assets	7.00%	3.50%-4.80%	7.25%	3.50%-4.80%
Weighted average duration of defined benefit obligations	6 Years	3-6 Years	6 Years	3-6 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 the Company's defined benefit plan obligations as at December 31, 2024. The Company does not expect to contribute to defined benefit plan obligations funds for period ending December 31, 2025 in view of adequate surplus plan assets as at December 31, 2024.

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 December 31, 2024	As at March 31, 2024
Increase of 0.50%	(136)	(123)
Decrease of 0.50%	143	129

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

		(₹ crore)
	As at December 31, 2024	As at March 31, 2024
Increase of 0.50%	144	130
Decrease of 0.50%	(138)	(125)

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.

The defined benefit obligations shall mature after the period ended December 31, 2024 as follows:

	(₹ crore)
Period ending December 31,	**Defined benefit obligations**
2025	842
2026	739
2027	756
2028	716
2029	657
2030-2034	2,497

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 recognized as an expense in profit and loss under employee benefit expenses. As per the latest actuarial valuation report of provident fund liabilities on the basis of guidance issued by Actuarial Society of India under the deterministic approach, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund. The principal assumptions used in the latest valuation report for determining the present value obligations of interest guarantee are discount rate: 7.25%, average remaining tenure of investment portfolio: 6 years and guaranteed rate of return are: 8.25% based on the latest valuation report.

The Company expensed ₹447 crore and ₹420 crore for three months ended December 31, 2024 and 2023, respectively, towards provident fund.

The Company expensed ₹1,322 crore and ₹1,262 crore for nine months ended December 31, 2024 and 2023, respectively, towards provident fund.

Superannuation

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

The Company expensed ₹72 crore and ₹71 crore for three months ended December 31, 2024 and 2023, respectively, towards Employees' Superannuation Fund.

The Company expensed ₹219 crore and ₹215 crore for nine months ended December 31, 2024 and 2023, respectively, towards Employees' Superannuation Fund.

Foreign defined contribution plan

The Company expensed ₹361 crore and ₹330 crore for three months ended December 31, 2024 and 2023, respectively, towards foreign defined contribution plans.

The Company expensed ₹1,096 crore and ₹980 crore for nine months ended December 31, 2024 and 2023, respectively, towards foreign defined contribution plans.

12) Cost recognition

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

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licences, depreciation and amortisation expense and other expenses. 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)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Raw materials, sub-assemblies and components consumed	17	9	33	29
Equipment and software licences purchased	3,449	1,112	8,670	1,830
	3,466	**1,121**	**8,703**	**1,859**
Finished goods and work-in-progress				
Opening stock	1	-*	-*	5
Less: Closing stock	4	1	4	1
	(3)	**(1)**	**(4)**	**4**
	3,463	**1,120**	**8,699**	**1,863**

***Represents value less than ₹0.50 crore.**

(b) Other expenses

Other expenses consist of the following:

(₹ crore)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Fees to external consultants	4,910	5,634	14,646	17,652
Facility expenses	695	641	2,062	1,889
Travel expenses	585	536	1,906	1,682
Communication expenses	405	381	1,166	1,136
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	25	23	75	61
Other expenses	2,460	2,635	8,218	7,779
	9,080	**9,850**	**28,073**	**30,199**

Other expenses include ₹1,029 crore and ₹1,210 crore for three months ended December 31, 2024 and 2023, respectively, towards sales, marketing and advertisement expenses and ₹860 crore and ₹811 crore for three months ended December 31, 2024 and 2023, respectively, towards project expenses.

Other expenses include ₹3,629 crore and ₹3,758 crore for nine months ended December 31, 2024 and 2023, respectively, towards sales, marketing and advertisement expenses and ₹2,263 crore and ₹2,134 crore for nine months ended December 31, 2024 and 2023, respectively, towards project expenses.

The Company made a contribution to an electoral trust of ₹218 crore and NIL for nine months ended December 31, 2024 and 2023, respectively, which is included in other expenses.

13) Finance costs

Finance costs consist of the following:

(₹ crore)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Interest on lease liabilities	143	106	413	322
Interest on tax matters	-	1	(2)	11
Other interest costs	68	97	91	143
	211	**204**	**502**	**476**

14) 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 in India and in its branches in overseas where it operates.

The Company has recognised income tax expenses applying the provisions under section 115BAA of the Income-tax Act, 1961.

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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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.

The Organisation for Economic Co-operation and Development (OECD) has published the model rules for global minimum tax (Pillar Two model rules). Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions where the Company operates. The Company is within the scope of the OECD Pillar Two model rules and has evaluated the potential exposure to global minimum tax. The Company does not expect any material financial impact for the current period. The evaluation of the potential exposure is based on the most recent country-by-country reporting, and financial statements for the constituent entities in the Company.

Deferred income taxes

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

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

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

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

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.

The income tax expense consists of the following:

(₹ crore)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Current tax				
Current tax expense for current period	4,035	3,390	11,997	10,522
Current tax expense / (benefit) pertaining to prior periods	(397)	(127)	(948)	(269)
	3,638	**3,263**	**11,049**	**10,253**
Deferred tax				
Deferred tax benefit for current period	39	30	(14)	3
	39	**30**	**(14)**	**3**
	3,677	**3,293**	**11,035**	**10,256**

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

(₹ crore)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Profit before taxes	15,509	14,046	47,976	42,422
Indian statutory income tax rate	25.17%	34.94%	25.17%	34.94%
Expected income tax expense	3,906	4,909	12,075	14,825
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense				
Tax holidays	-	(1,523)	-	(4,548)
Income exempt from tax	(266)	(336)	(1,303)	(844)
Undistributed earnings in branches	35	32	82	74
Tax on income at different rates	279	259	897	729
Tax pertaining to prior periods	(397)	(127)	(948)	(269)
Others (net)	120	79	232	289
Total income tax expense	**3,677**	**3,293**	**11,035**	**10,256**

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

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Closing balance
				(₹ crore)
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and intangible assets	661	135	-	796
Provision for employee benefit obligations	872	34	-	906
Cash flow hedges	4	-	(4)	-
Receivables, financial assets at amortised cost	395	11	-	406
Branch profit tax	(100)	(82)	-	(182)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(119)	-	(79)	(198)
Lease liabilities and right-of-use assets	199	(1)	-	198
Others	458	(83)	-	375
	2,370	**14**	**(83)**	**2,301**

Gross deferred tax assets and liabilities are as follows:

As at December 31, 2024	Assets	Liabilities	Net
			(₹ crore)
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and Intangible assets	835	39	796
Provision for employee benefit obligations	906	-	906
Receivables, financial assets at amortised cost	406	-	406
Branch profit tax	-	182	(182)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(198)	-	(198)
Lease liabilities	1,401		1,401
Right-of-use assets	(1,203)		(1,203)
Others	376	1	375
	2,523	**222**	**2,301**

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	Closing balance
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and intangible assets	597	64	-	661
Provision for employee benefit obligations	786	86	-	872
Cash flow hedges	7	-	(3)	4
Receivables, financial assets at amortised cost	403	(8)	-	395
Branch profit tax	(135)	35	-	(100)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(83)	-	(36)	(119)
Lease liabilities and right-of-use assets	188	11	-	199
Others	511	(53)	-	458
	2,274	**135**	**(39)**	**2,370**

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2024	**Assets**	**Liabilities**	**Net**
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and Intangible assets	714	53	661
Provision for employee benefit obligations	872	-	872
Cash flow hedges	4	-	4
Receivables, financial assets at amortised cost	395	-	395
Branch profit tax	-	100	(100)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(119)	-	(119)
Lease liabilities	1,192	-	1,192
Right-of-use assets	(993)	-	(993)
Others	459	1	458
	2,524	**154**	**2,370**

Direct tax contingencies

The Company has ongoing disputes with income tax authorities in India and in some of the other jurisdictions where it operates. 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 ₹1,793 crore and ₹1,794 crore as at December 31, 2024 and March 31, 2024, respectively. These demand orders are being contested by the Company based on the management evaluation and advise of tax consultants. In respect of tax contingencies of ₹318 crore and ₹318 crore as at December 31, 2024 and March 31, 2024, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 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.

15) 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.

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Profit for the period (₹ crore)	11,832	10,753	36,941	32,166
Weighted average number of equity shares	361,80,87,518	365,10,36,706	361,80,87,518	365,63,70,102
Basic and diluted earnings per share (₹)	32.71	29.45	102.11	87.97
Face value per equity share (₹)	1	1	1	1

16) Segment information

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

17) Commitments and contingencies

Capital commitments

The Company has contractually committed (net of advances) ₹1,883 crore and ₹1,939 crore as at December 31, 2024 and March 31, 2024, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

  Refer note 14.

- **Indirect tax matters**

  The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company has demands amounting to ₹614 crore and ₹516 crore as at December 31, 2024 and March 31, 2024, respectively, from various indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants.

- **Other claims**

  ➢ Claims aggregating ₹119 crore and ₹126 crore as at December 31, 2024 and March 31, 2024, respectively, against the Company have not been acknowledged as debts.

  ➢ In April 2019, Computer Sciences Corporation (referred to as CSC) filed a legal claim against the Company in the Court of Northern District of Texas and Dallas Division (trial court) alleging misappropriation of trade secrets and other CSC's confidential information and sought preliminary and permanent injunctive relief, and unspecified monetary damages and disgorgement of profits.

  A trial before an advisory jury was held and on November 17, 2023, the jury returned an advisory verdict in favour of CSC, finding that the Company misappropriated CSC's trade secrets and recommended compensation of US $70 million (equivalent to ₹599 crore) and a further punitive damage of US $140 million (equivalent to ₹1,199 crore) to be paid by the Company to CSC. Subsequently, the parties filed their respective written submissions in the matter. On June 13, 2024, the trial court passed a judgement as follows:

  1. The Court ordered that the Company is liable to CSC for US $56 million (equivalent to ₹479 crore) in compensatory damages and US $112 million (equivalent to ₹959 crore) in exemplary damages.
  2. The Court also assessed that the Company is liable for US $25 million (equivalent to ₹214 crore) in prejudgment interest through June 13, 2024.

3. The Court also passed certain injunction and other reliefs against the Company.

The Company, based on external opinion and legal assessment, believes that it has a strong case and would defend its position vigorously and pursue legal remedies to overturn the adverse judgement of the trial court.

- 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 unfavourable judgment from the District Court and Appeals Court which awarded US $140 million as compensatory damages and US $140 million as punitive damages, Epic invoked payment of US $140 million out of US $440 million Letter of Credit provided as security, towards compensatory damages in April 2022. 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 US $140 million was paid on December 1, 2023. The Company provided the balance punitive damages amount of US $115 million (equivalent to ₹958 crore) 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.

- **Guarantees and letter of comfort**

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

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

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

18) Related party transactions

The Company's principal related parties consist of its holding company, Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business. Refer note 20 of consolidated financial statement for list of subsidiaries of the Company.

Transactions with related parties are as follows:

(₹ crore)

	Three months ended December 31, 2024					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	17	6,863	230	1,185	-	8,295
Dividend income	-	1,058	-	-	-	1,058
Rent income	-	9	-	-	-	9
Other income	-	9	-	-	-	9
Purchases of goods and services (including reimbursements)	-	4,215	2,459	43	-	6,717
Brand equity contribution	50	-	-	-	-	50
Facility expenses	-	13	1	18	-	32
Lease rental	-	-	12	15	-	27
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	-	-	3	(1)	-	2
Contribution and advance to post employment benefit plans	-	-	-	-	1,628	1,628
Purchase of property, plant and equipment	-	-	101	(6)	-	95
Advances given	-	-	23	2	-	25
Advances recovered	-	-	10	3	-	13
Advances taken	-	11	-	-	-	11
Dividend paid	2,595	-	1	-	-	2,596
Guarantees given	-	-	-	1	-	1
Cost recovery	-	969	-	-	-	969

(₹ crore)

	Nine months ended December 31, 2024					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	50	20,805	1,018	3,881	-	25,754
Dividend income	-	5,174	-	-	-	5,174
Rent income	-	28	-	-	-	28
Other income	-	29	-	-	-	29
Purchases of goods and services (including reimbursements)	1	13,248	6,401	152	-	19,802
Brand equity contribution	151	-	-	-	-	151
Facility expenses	1	49	4	58	-	112
Lease rental	-	-	36	45	-	81
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	-	-	2	(2)	-	-
Contribution and advance to post employment benefit plans	-	-	-	-	3,780	3,780
Purchase of property, plant and equipment	-	-	361	16	-	377
Advances given	-	-	577	30	-	607
Advances recovered	-	-	28	5	-	33
Advances taken	-	47	-	-	-	47
Dividend paid	12,458	-	5	1	-	12,464
Guarantees given	-	-	-	1	-	1
Cost recovery	-	3,186	-	-	-	3,186
Transfer out of employee benefit obligations	-	1	-	-	-	1
Transfer in of employee benefit obligations	-	1	-	-	-	1

(₹ crore)

	Three months ended December 31, 2023					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	12	6,685	229	1,005	-	7,931
Dividend income	-	961	-	-	-	961
Rent income	-	11	-	-	-	11
Other income	-	8	-	-	-	8
Purchases of goods and services (including reimbursements)	1	4,209	296	61	-	4,567
Brand equity contribution	50	-	-	-	-	50
Facility expenses	-	26	2	20	-	48
Lease rental	-	-	12	12	-	24
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	-	-	4	-	-	4
Contribution and advance to post employment benefit plans	-	-	-	-	936	936
Purchase of property, plant and equipment	-	-	5	23	-	28
Advances given	-	-	6	47	-	53
Advances recovered	-	5	17	2	-	24
Dividend paid	2,380	-	1	-	-	2,381
Buy-back of shares	10,548	-	4	3	-	10,555
Cost recovery	-	1,040	-	-	-	1,040
Sale of property, plant and equipment	-	1	-	-	-	1

(₹ crore)

	Nine months ended December 31, 2023					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	37	19,613	762	2,759	-	23,171
Dividend income	-	2,416	-	-	-	2,416
Rent income	-	30	-	-	-	30
Other income	-	32	-	-	-	32
Purchases of goods and services (including reimbursements)	1	12,749	611	188	-	13,549
Brand equity contribution	150	-	-	-	-	150
Facility expenses	1	79	10	55	-	145
Lease rental	-	-	36	31	-	67
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	-	-	-	-	2,823	2,823
Purchase of property, plant and equipment	-	-	9	81	-	90
Advances given	-	5	756	98	-	859
Advances recovered	-	5	18	3	-	26
Advances taken	-	45	27	1	-	73
Dividend paid	11,106	-	6	1	-	11,113
Buy-back of shares	10,548	-	4	3	-	10,555
Cost recovery	-	3,023	-	-	-	3,023
Sale of property, plant and equipment	-	1	-	-	-	1
Transfer in of employee benefit obligations	-	1	-	-	-	1

Balances receivable from related parties are as follows:

(₹ crore)

	As at December 31, 2024					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables and contract assets	19	7,858	311	1,165	-	9,353
Loans, other financial assets and other assets	2	210	1,857	35	-	2,104
	21	**8,068**	**2,168**	**1,200**	**-**	**11,457**

(₹ crore)

	As at March 31, 2024					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables and contract assets	5	8,054	406	1,290	-	9,755
Loans, other financial assets and other assets	2	184	1,238	9	-	1,433
	7	**8,238**	**1,644**	**1,299**	**-**	**11,188**

Balances payable to related parties are as follows:

(₹ crore)

	As at December 31, 2024					
	Tata Sons Private Limited	**Subsidiaries of the Company**	**Subsidiaries of Tata Sons Private Limited**	**Associates / joint ventures of Tata Sons Private Limited and their subsidiaries**	**Other related parties**	**Total**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	151	5,686	4,397	314	-	10,548
Commitments and guarantees	-	3,745	1,115	31	-	4,891

(₹ crore)

	As at March 31, 2024					
	Tata Sons Private Limited	**Subsidiaries of the Company**	**Subsidiaries of Tata Sons Private Limited**	**Associates / joint ventures of Tata Sons Private Limited and their subsidiaries**	**Other related parties**	**Total**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	181	7,824	993	422	-	9,420
Commitments and guarantees	-	3,664	1412	13	-	5,089

Material related party transactions are as follows:

(₹ crore)

	Three months ended December 31, 2024	**Three months ended December 31, 2023**	**Nine months ended December 31, 2024**	**Nine months ended December 31, 2023**
Revenue from operations				
Tata Consultancy Services Deutschland GmbH	904	909	2,718	2,690
Tata Consultancy Services Netherlands BV	868	1,015	2,878	3,004
Tata Consultancy Services Canada Inc.	926	905	2,779	2,740
Jaguar Land Rover Limited	898	754	2,780	2,045
Purchases of goods and services (including reimbursements) and net of cost recovery				
Tata America International Corporation	886	950	2,966	3,197
Tata Consultancy Services De Mexico S.A., De C.V.	894	834	2,635	2,473
Tata Consultancy Services Canada Inc.	584	491	1,695	1,413
Tejas Networks Limited	2,314	149	5,997	174
Dividend income				
Tata America International Corporation	255	416	1,632	744
TCS Iberoamerica SA	229	258	619	644
Tata Consultancy Services Canada Inc.	396	152	1,031	527
Tata Consultancy Services Ireland Limited	168	-	168	-
Advances given				
Tejas Networks Limited	-	-	500	750

Material related party balances are as follows:

	As at December 31, 2024	As at March 31, 2024
		(₹ crore)
Trade receivables and contract assets		
Tata America International Corporation	1,450	1,931
Tata Consultancy Services France	938	1,249
Jaguar Land Rover Limited	798	898
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata America International Corporation	993	2,978
Tata Consultancy Services De Mexico S.A., De C.V.	657	984
Tata Consultancy Services Canada Inc.	1,292	1,077
Tejas Networks Limited	4,032	607
Loans, other financial assets and other assets		
Tejas Networks Limited	1,460	960

Transactions with key management personnel are as follows:

(₹ crore)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Short-term benefits	1	2	11	7
Dividend paid during the period	-	-	1	1
Post-employment benefits	-	-	1	2
	1	**2**	**13**	**10**

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.

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

20) The Board of Directors approved post-employment benefits, payable to the retiring COO and Executive Director, which has been actuarially valued. Accordingly, the Company has recorded an expense of ₹22 crore during three months ended June 30, 2024.

21) 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 will assess the impact and its evaluation once the subject rules are notified. The Company 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.

22) Dividends

Dividends paid during the period ended December 31, 2024 include an amount of ₹28.00 per equity share towards final dividend for the year ended March 31, 2024 and an amount of ₹20.00 per equity share towards interim dividends for the period ended December 31, 2024. 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.

The Board of Directors at its meeting held on January 9, 2025, has declared an interim dividend of ₹10.00 per equity share and special dividend of ₹66.00 per equity share.

NOTES FORMING PART OF STANDALONE INTERIM 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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai, January 09, 2025

For and on behalf of the Board

K Krithivasan
CEO and Managing Director
DIN: 10106739

Aarthi Subramanian
Director
DIN: 07121802

Samir Seksaria
CFO

Yashaswin Sheth
Company Secretary

Mumbai, January 09, 2025