

TATA CONSULTANCY SERVICES LIMITED
Standalone Balance Sheet

	Note	As at March 31, 2024	As at March 31, 2023	(₹ crore)
ASSETS				
Non-current assets				
Property, plant and equipment	8(a)	8,336	9,186	
Capital work-in-progress	8(a)	1,450	1,103	
Right-of-use assets	7	6,154	5,695	
Intangible assets	8(b)	463	809	
Financial assets				
Investments	6(a)	2,405	2,405	
Trade receivables				
Billed	6(b)	127	125	
Unbilled		65	196	
Loans	6(e)	2	3	
Other financial assets	6(f)	626	532	
Deferred tax assets (net)	15	2,524	2,464	
Income tax assets (net)		1,062	2,115	
Other assets	8(c)	3,016	2,410	
Total non-current assets		26,230	27,043	
Current assets				
Inventories	8(d)	27	27	
Financial assets				
Investments	6(a)	29,840	35,738	
Trade receivables				
Billed	6(b)	38,591	35,534	
Unbilled		7,477	7,264	
Cash and cash equivalents	6(c)	3,644	1,462	
Other balances with banks	6(d)	2,955	3,081	
Loans	6(e)	317	332	
Other financial assets	6(f)	1,559	1,557	
Income tax assets (net)		111	-	
Other assets	8(c)	10,397	7,789	
Total current assets		94,918	92,784	
TOTAL ASSETS		1,21,148	1,19,827	
EQUITY AND LIABILITIES				
Equity				
Share capital	6(n)	362	366	
Other equity	9	71,758	74,172	
Total equity		72,120	74,538	
Liabilities				
Non-current liabilities				
Financial liabilities				
Lease liabilities			5,128	4,698
Other financial liabilities	6(i)	315	340	
Employee benefit obligations	12	144	95	
Deferred tax liabilities (net)	15	154	190	
Unearned and deferred revenue		226	642	
Total non-current liabilities		5,967	5,965	
Current liabilities				
Financial liabilities			1,017	961
Lease liabilities				
Trade payables				
Dues of small enterprises and micro enterprises	6(g)	79	-	
Dues of creditors other than small enterprises and micro enterprises	6(h)	14,520	13,768	
Other financial liabilities	6(i)	6,286	6,948	
Unearned and deferred revenue		2,811	2,962	
Other liabilities	8(e)	4,458	3,113	
Provisions	8(f)	71	279	
Employee benefit obligations	12	3,332	3,022	
Income tax liabilities (net)		10,487	8,271	
Total current liabilities		43,061	39,324	
TOTAL EQUITY AND LIABILITIES		1,21,148	1,19,827	

NOTES FORMING PART OF 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 Krishivasan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Amit Soman
Partner
Membership No: 060154
Mumbai, April 12, 2024

Samir Seksaria
CFO

Mumbai, April 12, 2024

Pradeep Manohar Gaitonde
Company Secretary

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Profit and Loss

	(₹ crore)	
Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		
Other income		
TOTAL INCOME		
Expenses		
Employee benefit expenses	12	96,218
Cost of equipment and software licences	13(a)	1,416
Finance costs	14	695
Depreciation and amortisation expense		3,940
Other expenses	13(b)	41,723
TOTAL EXPENSES		1,43,992
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		51,690
Exceptional item		
Settlement of legal claim	19	-
PROFIT BEFORE TAX		51,690
Tax expense		
Current tax	15	12,946
Deferred tax	15	(362)
TOTAL TAX EXPENSE		12,584
PROFIT FOR THE YEAR		39,106
OTHER COMPREHENSIVE INCOME (OCI)		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined employee benefit plans		54
Income tax on items that will not be reclassified subsequently to profit or loss		(12)
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		(60)
Net change in intrinsic value of derivatives designated as cash flow hedges		1
Net change in time value of derivatives designated as cash flow hedges		32
Income tax on items that will be reclassified subsequently to profit or loss		236
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		(394)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		38,712
Earnings per equity share:- Basic and diluted (₹)	16	106.88
Weighted average number of equity shares		365,90,51,373

NOTES FORMING PART OF FINANCIAL STATEMENTS

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For **B S R & Co. LLP**
Chartered Accountants
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CEO and Managing Director

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COO and Executive Director

Amit Somani
Partner
Membership No: 060154

Mumbai, April 12, 2024

Samir Seksaria
CFO

Mumbai, April 12, 2024

Pradeep Manohar Gaitonde
Company Secretary

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

					(₹ crore)
Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year*	Balance as at March 31, 2024	
366	-	366	(4)	362	
					(₹ crore)
Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023	
366	-	366	-	366	

*Refer note 6(n)

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Changes in Equity

B. OTHER EQUITY

(₹ crore)

	Reserves and surplus				Items of other comprehensive income			Total Equity	
	Capital reserve*	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve			
					Intrinsic value	Time value			
Balance as at April 1, 2023	-	17	11,809	62,228	138	8	(28)	74,172	
Profit for the year	-	-	-	43,559	-	-	-	43,559	
Other comprehensive income / (losses)	-	-	-	(47)	201	1	10	165	
Total comprehensive income	-	-	-	43,512	201	1	10	43,724	
Dividend	-	-	-	(25,137)	-	-	-	(25,137)	
Expenses for buy-back of equity shares (Refer note 6(n))	-	-	-	(46)	-	-	-	(46)	
Tax on buy-back of equity shares (Refer note 6(n))	-	-	-	(3,959)	-	-	-	(3,959)	
Buy-back of equity shares (Refer note 6(n))	-	4	-	(17,000)	-	-	-	(16,996)	
Transfer to Special Economic Zone re-investment reserve	-	-	9,875	(9,875)	-	-	-	-	
Transfer from Special Economic Zone re-investment reserve	-	-	(5,450)	5,450	-	-	-	-	
Balance as at March 31, 2024	-	21	16,234	55,173	339	9	(18)	71,758	
Balance as at April 1, 2022	-	17	7,287	68,949	580	27	(53)	76,807	
Profit for the year	-	-	-	39,106	-	-	-	39,106	
Other comprehensive income / (losses)	-	-	-	42	(442)	(19)	25	(394)	
Total comprehensive income	-	-	-	39,148	(442)	(19)	25	38,712	
Dividend	-	-	-	(41,347)	-	-	-	(41,347)	
Transfer to Special Economic Zone re-investment reserve	-	-	8,380	(8,380)	-	-	-	-	
Transfer from Special Economic Zone re-investment reserve	-	-	(3,858)	3,858	-	-	-	-	
Balance as at March 31, 2023	-	17	11,809	62,228	138	8	(28)	74,172	

*Represents value less than ₹0.50 crore.

Loss of ₹47 crore and gain of ₹42 crore on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2024 and 2023, respectively.

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Changes in Equity

Nature and purpose of reserves

(a) Capital reserve

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

(b) Capital redemption reserve

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

(c) Special Economic Zone re-investment reserve

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

(d) 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 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 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 Krishivasan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Amit Soman
Partner
Membership No: 060154

Mumbai, April 12, 2024

Samir Seksaria
CFO

Mumbai, April 12, 2024

Pradeep Manohar Gaitonde
Company Secretary

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Cash Flows

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	43,559	39,106
Adjustments for:		
Depreciation and amortisation expense	3,887	3,940
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	97	110
Tax expense	14,043	12,584
Net (gain) / loss on lease modification	(2)	3
Net gain on sub-lease	-	(7)
Unrealised foreign exchange gain	(11)	(185)
Net gain on disposal of property, plant and equipment	(8)	(27)
Net gain on disposal / fair valuation of investments	(264)	(209)
Interest income	(3,382)	(3,046)
Dividend income (including exchange impact)	(3,288)	(2,112)
Finance costs	673	695
Operating profit before working capital changes	55,304	50,852
Net change in		
Inventories	-	(8)
Trade receivables		
Billed	(3,145)	(5,817)
Unbilled	(82)	(1,157)
Loans and other financial assets	(291)	192
Other assets	(3,125)	(384)
Trade payables	831	3,686
Unearned and deferred revenue	(567)	31
Other financial liabilities	(698)	1,222
Other liabilities and provisions	1,498	(654)
Cash generated from operations	49,725	47,963
Taxes paid (net of refunds)	(10,583)	(10,934)
Net cash generated from operating activities	39,142	37,029
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(6,489)	(3,528)
Inter-corporate deposits placed	-	(7,580)
Purchase of investments	(128,764)	(122,721)
Payment for purchase of property, plant and equipment	(1,720)	(2,041)
Payment including advances for acquiring right-of-use assets	(17)	(94)
Payment for purchase of intangible assets	(411)	(340)
Proceeds from bank deposits	6,605	5,930
Proceeds from inter-corporate deposits	-	12,966
Proceeds from disposal / redemption of investments	135,375	115,825
Proceeds from sub-lease receivable	10	5
Proceeds from disposal of property, plant and equipment	14	29
Interest received	2,670	2,933
Dividend received from subsidiaries	3,534	1,866
Net cash generated from investing activities	10,807	3,250

TATA CONSULTANCY SERVICES LIMITED
Standalone Statement of Cash Flows

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,061)	(1,006)
Interest paid	(590)	(697)
Dividend paid	(25,137)	(41,347)
Transfer of funds to buy-back escrow account	(425)	-
Transfer of funds from buy-back escrow account	425	18
Expenses for buy-back of equity shares (Refer note 6(n))	(46)	-
Tax on buy-back of equity shares (Refer note 6(n))	(3,959)	(4,192)
Buy-back of equity shares (Refer note 6(n))	(17,000)	-
Net cash used in financing activities	(47,793)	(47,224)
Net change in cash and cash equivalents	2,156	(6,945)
Cash and cash equivalents at the beginning of the year	1,462	8,197
Exchange difference on translation of foreign currency cash and cash equivalents	26	210
Cash and cash equivalents at the end of the year	3,644	1,462
Components of cash and cash equivalents		
Balances with banks		
In current accounts	1,359	776
In deposit accounts	2,285	686
Cheques on hand	-*	-*
Cash on hand	-*	-*
Remittances in transit	-*	-*
	3,644	1,462

*Represents value less than ₹0.50 crore.

Refer note 13(c) for amount spent during the years ended March 31, 2024 and 2023 on construction / acquisition of any asset and other purposes relating to CSR activities.

NOTES FORMING PART OF 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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Mumbai, April 12, 2024

Samir Seksaria
CFO

Pradeep Manohar Gaitonde
Company Secretary

Mumbai, April 12, 2024

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone 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 March 31, 2024, Tata Sons Private Limited, the holding company owned 71.74% of the Company’s equity share capital.

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

2) Statement of compliance

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

3) Basis of preparation

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

The statement of cash flows 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 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 financial statements have been discussed in the respective notes.

4) Use of estimates and judgements

The preparation of standalone 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 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 financial statements:

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone 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 note (Refer note 10).

(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) Provision for income tax and deferred tax assets

The Company uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the 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 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 12).

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

(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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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.

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

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.

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

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 March 31, 2024	As at March 31, 2023
Investment in subsidiaries		
Fully paid equity shares (unquoted)	2,405	2,405
Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)	19	19
Taj Air Limited	(19)	(19)
Less: Impairment in value of investments	2,405	2,405

Investments – Current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	749	1,147
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	24,746	26,128
Corporate bonds (quoted)	3,406	3,110
Investments carried at amortised cost		
Certificate of deposits (quoted)	-	2,955
Commercial papers (quoted)	939	2,398
	29,840	35,738

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

Aggregate value of quoted and unquoted investments is as follows:

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Aggregate value of quoted investments	29,840	35,738
Aggregate value of unquoted investments (net of impairment)	2,405	2,405
Aggregate market value of quoted investments	29,841	35,736
Aggregate value of impairment of investments	19	19

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

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Certificate of deposits	-	2,951
Commercial papers	940	2,400

Carrying value of investment in equity instruments is as follows:

In Numbers	Currency	Face value per share	Investment in subsidiaries	(₹ crore)	
				As at March 31, 2024	As at March 31, 2023
Fully paid equity shares (unquoted)					
212,27,83,424	UYU	1	TCS Iberoamerica SA	461	461
15,75,300	INR	10	APTOnline Limited	-	-
1,300	EUR	-	Tata Consultancy Services Belgium	1	1
66,000	EUR	1,000	Tata Consultancy Services Netherlands BV	403	403
1,000	SEK	100	Tata Consultancy Services Sverige AB	19	19
1	EUR	-	Tata Consultancy Services Deutschland GmbH	2	2
20,000	USD	10	Tata America International Corporation	453	453
75,82,820	SGD	1	Tata Consultancy Services Asia Pacific Pte Ltd.	19	19
3,72,58,815	AUD	1	TCS FNS Pty Limited	212	212
10,00,001	GBP	1	Diligenta Limited	429	429
1,000	USD	-	Tata Consultancy Services Canada Inc.	-*	-*
100	CAD	70,653.61	Tata Consultancy Services Canada Inc.	31	31
51,00,000	INR	10	C-Edge Technologies Limited	5	5
8,90,000	INR	10	MP Online Limited	1	1
1,40,00,000	ZAR	1	Tata Consultancy Services (Africa) (PTY) Ltd.	66	66
18,89,005	INR	10	MahaOnline Limited	2	2
-	QAR	-	Tata Consultancy Services Qatar L.L.C.	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

In Numbers	Currency	Face value per share	Equity instruments designated at fair value through OCI	(₹ crore)	
				As at March 31, 2024	As at March 31, 2023
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.

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

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	138	580
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	248	(675)
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(39)	236
Net cumulative gain reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	(11)	(4)
Deferred tax relating to net cumulative gain reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	3	1
Balance at the end of the year	339	138

(b) Trade receivables - Billed

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

Trade receivables - Billed – Non-current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	760	771
Less: Allowance for expected credit losses	(633)	(646)
Considered good	127	125

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

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	-	-	-	55	86	585	726
Disputed trade receivables – considered good	-	-	-	2	-	32	34
	-	-	-	57	86	617	760
Less: Allowance for expected credit losses							
							(633)
							127
Trade receivables - Unbilled							
							65
							192

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

Particulars	Not due	Outstanding for following periods from due date of payment					(₹ crore)
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	-	-	12	39	75	613	739
Disputed trade receivables – considered good	-	-	-	-	8	24	32
	-	-	12	39	83	637	771
Less: Allowance for expected credit losses						(646)	125
Trade receivables - Unbilled							196
							321

Trade receivables - Billed – Current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	38,856	35,731
Less: Allowance for expected credit losses	(320)	(275)
Considered good	38,536	35,456
Trade receivables - Billed	190	256
Less: Allowance for expected credit losses	(135)	(178)
Credit impaired	55	78
	38,591	35,534

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

Particulars	Not due	Outstanding for following periods from due date of payment					(₹ crore)
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	30,928	6,787	933	18	52	113	38,831
Undisputed trade receivables – credit impaired	-	6	15	53	12	104	190
Disputed trade receivables – considered good	-	-	-	-	-	25	25
	30,928	6,793	948	71	64	242	39,046
Less: Allowance for expected credit losses						(455)	38,591
Trade receivables - Unbilled							7,477
							46,068

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

Particulars	Not due	Outstanding for following periods from due date of payment					(₹ crore)
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	28,935	5,292	1124	135	16	191	35,693
Undisputed trade receivables – credit impaired	66	42	-	11	18	119	256
Disputed trade receivables – considered good	-	-	12	1	-	25	38
	29,001	5,334	1136	147	34	335	35,987
Less: Allowance for expected credit losses							(453)
							35,534
Trade receivables - Unbilled							
							7,264
							42,798

Above balances of trade receivables - billed include balances with related parties (Refer note 20).

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	1,359	776
In deposit accounts	2,285	686
Cheques on hand	-*	-*
Cash on hand	-*	-*
Remittances in transit	-*	-*
	3,644	1,462

*Represents value less than ₹0.50 crore.

(d) Other balances with banks

Other balances with banks consist of the following:

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks		
Short-term bank deposits	455	653
	2,500	2,428
	2,955	3,081

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

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(e) Loans

Loans (unsecured) consist of the following:

Loans – Non-current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Considered good		
Loans to employees	2	3

Loans – Current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Considered good		
Loans to employees	317	332
Credit impaired		
Loans to employees	-	31
Less: Allowance for loans to employees	-	(31)
	317	332

(f) Other financial assets

Other financial assets consist of the following:

Other financial assets – Non-current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Security deposits	600	508
Long-term bank deposits	12	-
Others	14	24
	626	532

Other financial assets – Current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Security deposits	320	296
Fair value of foreign exchange derivative assets	113	190
Interest receivable	665	624
Advances to employees	261	-
Less: Allowance for advances to employees	(41)	-
Others	241	447
	1,559	1,557

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(g) Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2024 and 2023 is as under:

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Dues remaining unpaid to any supplier		
Principal	79	-
Interest on the above	-	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	24	32
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-*

*Represents value less than ₹0.50 crore.

(h) Trade payables

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

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables						
MSME*	79	-	-	-	-	79
Others	3,269	5,729	18	5	42	9,063
Disputed dues - Others	2	2	-	-	30	34
	3,350	5,731	18	5	72	9,176
Accrued expenses						5,423
						14,599

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

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

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables						
Others	3,774	4,715	18	7	42	8,556
Disputed dues - Others	-	-	-	-	29	29
	3,774	4,715	18	7	71	8,585
Accrued expenses						5,183
						13,768

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(i) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Non-current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Capital creditors	69	111
Others	246	229
	315	340

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

Other financial liabilities – Current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Accrued payroll	3,957	4,970
Unclaimed dividends	53	51
Fair value of foreign exchange derivative liabilities	109	141
Capital creditors	582	635
Liabilities towards customer contracts	1,419	1,075
Others	166	76
	6,286	6,948

(j) Financial instruments by category

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

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
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

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

	(₹ crore)					
	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets						
Cash and cash equivalents	-	-	-	-	1,462	1,462
Bank deposits	-	-	-	-	2,428	2,428
Earmarked balances with banks	-	-	-	-	653	653
Investments (other than in subsidiary)	1,147	29,238	-	-	5,353	35,738
Trade receivables						
Billed	-	-	-	-	35,659	35,659
Unbilled	-	-	-	-	7,460	7,460
Loans	-	-	-	-	335	335
Other financial assets	-	-	37	153	1,899	2,089
	1,147	29,238	37	153	55,249	85,824
Financial liabilities						
Trade payables	-	-	-	-	13,768	13,768
Lease liabilities	-	-	-	-	5,659	5,659
Other financial liabilities	-	-	-	141	7,147	7,288
	-	-	-	141	26,574	26,715

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at March 31, 2024 and 2023, approximate the fair value due to their nature. Carrying amounts of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is ₹940 crore and ₹5,351 crore as at March 31, 2024 and 2023 respectively.

(k) 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.

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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):

As at March 31, 2024	(₹ crore)			
	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	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
As at March 31, 2023	(₹ crore)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	1,147	-	-	1,147
Equity shares	-	-	-	-
Government bonds and securities	26,128	-	-	26,128
Corporate bonds	3,110	-	-	3,110
Certificate of deposits	2,951	-	-	2,951
Commercial papers	2,400	-	-	2,400
Fair value of foreign exchange derivative assets	-	190	-	190
	35,736	190	-	35,926
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	141	-	141
	-	141	-	141

(I) 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:

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

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

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

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2024 and 2023, the notional amount of outstanding contracts aggregated to ₹49,180 crore and ₹46,102 crore, respectively, and the respective fair value of these contracts have a net loss of ₹42 crore and gain of ₹12 crore.

Exchange gain of ₹30 crore and loss of ₹1,159 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the standalone statement of profit and loss for the years ended March 31, 2024 and 2023, respectively.

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

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

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

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

(m) 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.

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- **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(l).

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.

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

	(₹ crore)			
	USD	EUR	GBP	Others
Net financial assets	2,747	91	436	2,736
Net financial liabilities	(12,419)	(723)	(1,923)	(1,108)

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 ₹1,016 crore for the year ended March 31, 2023.

- **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 ₹2,500 crore held with two banks having

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high credit rating which are individually in excess of 10% or more of the Company's total bank deposits as at March 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 ₹90,407 crore and ₹90,655 crore as at March 31, 2024 and 2023, 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 and no single customer contributes to more than 10% of outstanding trade receivables and contract assets as at March 31, 2024 and 2023.

- **Geographic concentration of credit risk**

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

	As at March 31, 2024		As at March 31, 2023	
	Gross%	Net%	Gross%	Net%
United States of America	52.31	53.20	54.14	55.13
India	13.22	11.68	12.03	10.37
United Kingdom	16.47	16.78	15.48	15.80

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 years ended March 31, 2024 and 2023 was ₹88 crore and ₹98 crore, respectively. The reconciliation of allowance for expected credit losses is as follows:

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	1,099	1,137
Change during the year	88	98
Bad debts written off	(98)	(137)
Translation Exchange difference	(1)	1
Balance at the end of the year	1,088	1,099

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.

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

	(₹ crore)				
	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
March 31, 2024					
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
	(₹ crore)				
March 31, 2023					
Non-derivative financial liabilities					
Trade payables	13,768	-	-	-	13,768
Lease liabilities	1,333	1,129	2,430	2,531	7,423
Other financial liabilities	6,828	42	301	9	7,180
	21,929	1,171	2,731	2,540	28,371
Derivative financial liabilities					
	141	-	-	-	141
	22,070	1,171	2,731	2,540	28,512

(n) Equity instruments

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

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Authorised		
460,05,00,000 equity shares of ₹1 each	460	460
(March 31, 2023: 460,05,00,000 equity shares of ₹1 each)		
105,02,50,000 preference shares of ₹1 each	105	105
(March 31, 2023: 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	366
(March 31, 2023: 365,90,51,373 equity shares of ₹1 each)		
	362	366

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

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

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I. Reconciliation of number of shares

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

II. Rights, preferences and restrictions attached to shares

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

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

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Equity shares		
Holding company		
259,54,99,419 equity shares (March 31, 2023: 264,43,17,117 equity shares) are held by Tata Sons Private Limited	260	264
Subsidiaries and Associates of Holding company		
7220 equity shares (March 31, 2023: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,04,425 equity shares (March 31, 2023: 10,14,172 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2023: 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2023: 766 equity shares) are held by The Tata Power Company Limited*	-	-
	260	264

*Equity shares having value less than ₹0.50 crore.

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

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

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

• Equity shares issued as bonus

The Company allotted 191,42,87,591 equity shares as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹86 crore and capital redemption reserve amounting to ₹106 crore in three month period ended June 30, 2018, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

TATA CONSULTANCY SERVICES LIMITED
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- **Equity shares extinguished on buy-back**

The Company bought back 4,00,00,000 equity shares for an aggregate amount of ₹18,000 crore being 1.08% of the total paid up equity share capital at ₹4,500 per equity share. The equity shares bought back were extinguished on March 29, 2022.

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

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

VI. Disclosure of Shareholding of Promoters

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

Promoter name	Shares held by promoters				% Change during the year	
	As at March 31, 2024		As at March 31, 2023			
	No. of shares	% of total shares	No. of shares	% of total shares		
Tata Sons Private Limited	259,54,99,419	71.74%	264,43,17,117	72.27%	(0.53)%	
Total	259,54,99,419	71.74%	264,43,17,117	72.27%	(0.53)%	

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

Promoter name	Shares held by promoters				% Change during the year	
	As at March 31, 2023		As at March 31, 2022			
	No. of shares	% of total shares	No. of shares	% of total shares		
Tata Sons Private Limited	264,43,17,117	72.27%	264,43,17,117	72.27%	-	
Total	264,43,17,117	72.27%	264,43,17,117	72.27%	-	

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,

TATA CONSULTANCY SERVICES LIMITED
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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 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

	(₹ crore)	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Leasehold land		179	940
Buildings		799	4,608
Leasehold improvement		-	2
Computer equipment		-	49
Software licences		-	96
Vehicles		-	-*
	978		5 695

*Represents value less than ₹0.50 crore.

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

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Leasehold land	11	10
Buildings	1,079	1,034
Leasehold improvement	1	2
Computer equipment	21	16
Software licences	36	37
Vehicles	-*	-*
Furniture and fixtures	-*	-
	1 148	1 099

*Represents value less than ₹0.50 crore.

Interest on lease liabilities is ₹438 crore and ₹421 crore for the years ended March 31, 2024 and 2023, respectively.

The Company incurred ₹221 crore and ₹211 crore for the years ended March 31, 2024 and 2023, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ₹1,737 crore and ₹1,732 crore for the years ended March 31, 2024 and 2023, respectively, including cash outflow for short term leases and leases of low-value assets.

The 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 ₹815 crore and ₹786 crore as at March 31, 2024 and 2023, 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.

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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.

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Property, plant and equipment consist of the following:

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	(₹ crore)
										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

*₹1,450 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2024.

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	(₹ crore)
										Total
Cost as at April 1, 2022	323	7,737	1,885	752	9,925	35	2,395	1,872	1,512	26,436
Additions	-	234	48	56	1,291	8	151	63	53	1,904
Disposals	-	(5)	(8)	-	(269)	(3)	(54)	(9)	(12)	(360)
Cost as at March 31, 2023	323	7,966	1,925	808	10,947	40	2,492	1,926	1,553	27,980
Accumulated depreciation as at April 1, 2022	-	(3,286)	(1,221)	(366)	(7,061)	(33)	(2,085)	(1,367)	(1,348)	(16,767)
Depreciation	-	(393)	(127)	(78)	(1,386)	(4)	(186)	(130)	(81)	(2,385)
Disposals	-	4	8	-	268	3	54	9	12	358
Accumulated depreciation as at March 31, 2023	-	(3,675)	(1,340)	(444)	(8,179)	(34)	(2,217)	(1,488)	(1,417)	(18,794)
Net carrying amount as at March 31, 2023	323	4,291	585	364	2,768	6	275	438	136	9,186
Capital work-in-progress*										1,103
Total										10,289

*₹1,904 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2023.

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Capital work-in-progress

- **Capital work-in-progress ageing**

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

Capital work-in-progress	Amount in capital work-in-progress for a period of				(₹ crore) Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	919	145	53	333	1,450
	919	145	53	333	1,450

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

Capital work-in-progress	Amount in capital work-in-progress for a period of				(₹ crore) Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	543	203	37	320	1,103
	543	203	37	320	1,103

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

(b) 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	(₹ crore)
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

TATA CONSULTANCY SERVICES LIMITED
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	(₹ crore)
	Rights under licensing agreement and software licences
Cost as at April 1, 2022	1,530
Additions	247
Disposals / Derecognised	(50)
Cost as at March 31, 2023	1,727
Accumulated amortisation as at April 1, 2022	(512)
Amortisation	(456)
Disposals / Derecognised	50
Accumulated amortisation as at March 31, 2023	(918)
Net carrying amount as at March 31, 2023	809

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

	(₹ crore)
Year ending March 31,	Amortisation expense
2025	282
2026	100
2027	66
2028	15
	463

(c) Other assets

Other assets consist of the following:

Other assets – Non-current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Considered good		
Capital advances	88	67
Advances to related parties	196	63
Contract assets	206	153
Prepaid expenses	2,223	1,907
Contract fulfillment costs	129	33
Others	174	187
	3,016	2,410

Advances to related parties, considered good, comprise:

Voltas Limited	-	-*
Tata Realty and Infrastructure Limited	-*	-*
Tata Projects Limited	191	54
Titan Engineering and Automation Limited	3	-
Saankhya Labs Private Limited	-	8
Universal MEP Projects & Engineering Services Limited	2	1

*Represents value less than ₹0.50 crore.

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Other assets – Current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Considered good		
Advance to suppliers	109	48
Advance to related parties	1,023	18
Contract assets	4,998	4,678
Prepaid expenses	1,839	1,336
Contract fulfillment costs	995	531
Indirect taxes recoverable	1,152	853
Others	281	325
Considered doubtful		
Advance to suppliers	2	2
Other advances	2	2
Less: Allowance for doubtful assets	(4)	(4)
	10,397	7,789

Advance to related parties, considered good comprise:

Tata Sons Private Limited	-	7
Tata AIG General Insurance Company Limited	7	1
Titan Company Limited	-	1
Tejas Networks Limited	960	-
Tata Consultancy Services Deutschland GmbH	12	7
Tata Consultancy Services De Mexico S.A., De C.V.	3	2
Tata Consultancy Services (South Africa) (PTY) Ltd.	1	-
Tata Consultancy Services Do Brasil Ltda	1	-
Tata Consultancy Services Italia s.r.l.	1	-
Tata Consultancy Services Japan, Ltd.	2	-
Tata America International Corporation	35	-
Tata Consultancy Services (China) Co., Ltd.	1	-

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

Contract fulfillment costs of ₹464 crore and ₹631 crore for the years ended March 31, 2024 and 2023, respectively, have been amortised in the standalone statement of profit and loss. Refer note 10 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 March 31, 2024	As at March 31, 2023
Raw materials, sub-assemblies and components	27	22
Finished goods and work-in-progress	-*	5
	27	27

*Represents value less than ₹0.50 crore.

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(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Advance received from customers	1,757	457
Indirect taxes payable and other statutory liabilities	2,350	2,429
Others	351	227
	4,458	3,113

(f) Provisions

Provisions consist of the following:

Provisions – Current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Provision towards legal claim (Refer note 19)	-	206
Provision for foreseeable loss	70	70
Other provisions	1	3
	71	279

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9) Other equity

Other equity consist of the following:

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Capital reserve*	-	-
Capital redemption reserve		
Opening balance	17	17
Transfer from retained earnings (Refer note 6(n))	4	-
	<u>21</u>	<u>17</u>
Special Economic Zone re-investment reserve		
Opening balance	11,809	7,287
Transfer from retained earnings	9,875	8,380
Transfer to retained earnings	(5,450)	(3,858)
	<u>16,234</u>	<u>11,809</u>
Retained earnings		
Opening balance	62,228	68,949
Profit for the year	43,559	39,106
Remeasurement of defined employee benefit plans	(47)	42
Expenses for buy-back of equity shares (Refer note 6(n))	(46)	-
Tax on buy-back of equity shares (Refer note 6(n))	(3,959)	-
Buy-back of equity shares (Refer note 6(n))	(16,996)	-
Transfer from Special Economic Zone re-investment reserve	5,450	3,858
	<u>90,189</u>	<u>111,955</u>
Less: Appropriations		
Dividend on equity shares	25,137	41,347
Transfer to capital redemption reserve (Refer note 6(n))	4	-
Transfer to Special Economic Zone re-investment reserve	9,875	8,380
	<u>55,173</u>	<u>62,228</u>
Investment revaluation reserve		
Opening balance	138	580
Change during the year (net)	201	(442)
	<u>339</u>	<u>138</u>
Cash flow hedging reserve (Refer note 6(l))		
Opening balance	(20)	(26)
Change during the year (net)	11	6
	<u>(9)</u>	<u>(20)</u>
	<u>71,758</u>	<u>74,172</u>

*Represents value less than ₹0.50 crore.

10) Revenue recognition

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

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight-lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

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- 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.

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

Revenue disaggregation by nature of services is as follows:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Consultancy services	2,00,054	1,88,748
Sale of equipment and software licences	2,305	1,606
	2,02,359	1,90,354

Revenue disaggregation by industry vertical is as follows:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Banking, Financial Services and Insurance	71,349	68,240
Manufacturing	18,854	16,905
Consumer Business	34,612	33,169
Communication, Media and Technology	35,061	33,606
Life Sciences and Healthcare	24,352	22,398
Others	18,131	16,036
	2,02,359	1,90,354

Revenue disaggregation by geography is as follows:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Americas		
North America	115,581	113,208
Latin America	484	382
Europe		
United Kingdom	35,625	30,676
Continental Europe	20,705	19,209
Asia Pacific		
India	12,466	12,017
Middle East and Africa	13,105	10,941
	4,393	3,921
	2,02,359	1,90,354

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 years ended March 31, 2024 and 2023.

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 ₹1,34,160 crore out of which 50.03% 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.

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Notes forming part of Standalone Financial Statements

Changes in contract assets are as follows:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	4,831	3,470
Invoices raised that were included in the contract assets balance at the beginning of the year	(3,278)	(2,632)
Increase due to revenue recognised during the year, excluding amounts billed during the year	3,595	3,826
Translation exchange difference	56	167
Balance at the end of the year	5,204	4,831

Changes in unearned and deferred revenue are as follows:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	3,604	3,573
Revenue recognised that was included in the contract liability balance at the beginning of the year	(3,110)	(2,643)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	2,541	2,589
Translation exchange difference	2	85
Balance at the end of the year	3,037	3,604

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

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Contracted price	2,05,717	1,93,451
Reductions towards variable consideration components	(3,358)	(3,097)
Revenue recognised	2,02,359	1,90,354

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

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11) Other income

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

Other income consist of the following:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest income	3,382	3,046
Dividend income	3,296	2,106
Net gain on disposal / fair valuation of investments carried at fair value through profit or loss	253	205
Net gain on sale of investments other than equity shares carried at fair value through OCI	11	4
Net gain on disposal of property, plant and equipment	8	27
Net gain / (loss) on lease modification	2	(3)
Net gain on sub-lease	-	7
Net foreign exchange gain / (loss)	243	(173)
Rent income	25	22
Other income	53	87
	7,273	5,328

Interest income comprise:

Interest on bank balances and bank deposits	412	173
Interest on financial assets carried at amortised cost	347	574
Interest on financial assets carried at fair value through OCI	2,198	2,131
Other interest (including interest on tax refunds)	425	168

Dividend income comprise:

Dividend from subsidiaries	3,296	2,106
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12) Employee benefits

Defined benefit plans

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

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

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

Defined contribution plans

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

The Company provides benefits such as superannuation and foreign defined contribution plans to its employees which are treated as defined contribution plans.

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Short-term employee benefits

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

Compensated absences

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

Employee benefit expenses consist of the following:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, incentives and allowances	93,257	87,049
Contributions to provident and other funds	7,099	6,450
Staff welfare expenses	2,783	2,719
	103,139	96,218

Employee benefit obligations consist of the following:

Employee benefit obligations – Non-current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Foreign defined benefit plans	29	28
Other employee benefit obligations	115	67
	144	95

Employee benefit obligations – Current

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Compensated absences	3,300	2,991
Other employee benefit obligations	32	31
	3,332	3,022

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.

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

	(₹ crore)							
	As at March 31, 2024				As at March 31, 2023			
	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 year	4,643	1	28	4,672	4,464	1	25	4,490
Translation exchange difference	-	-	-	-	-	-	2	2
Changes due to inter-company transfers	1	-	-	1	(3)	-	-	(3)
Service cost	481	-	4	485	512	-	5	517
Interest cost	361	-	1	362	330	-	1	331
Remeasurement of the net defined benefit liability	168	-	2	170	(158)	-	1	(157)
Benefits paid	(381)	-	(6)	(387)	(502)	-	(6)	(508)
Benefit obligations, end of the year	5,273	1	29	5,303	4,643	1	28	4,672
(₹ crore)								
	As at March 31, 2024				As at March 31, 2023			
	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 year	6,389	1	-	6,390	5,517	1	-	5,518
Changes due to inter-company transfers	1	-	-	1	(3)	-	-	(3)
Interest income	500	-	-	500	424	-	-	424
Employers' contributions	595	-	-	595	1,056	-	-	1,056
Benefits paid	(381)	-	-	(381)	(502)	-	-	(502)
Remeasurement - return on plan assets excluding amount included in interest income	110	-	-	110	(103)	-	-	(103)
Fair value of plan assets, end of the year	7,214	1	-	7,215	6,389	1	-	6,390
(₹ crore)								
	As at March 31, 2024				As at March 31, 2023			
	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	-	-	(29)	(29)	-	-	(28)	(28)
Surplus of plan assets over obligations	1,941	-	-	1,941	1,746	-	-	1,746
	1,941	-	(29)	1,912	1,746	-	(28)	1,718
(₹ crore)								
	As at March 31, 2024				As at March 31, 2023			
	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	1,960	-	-	1,960	1,832	-	-	1,832
Equity instruments	201	-	-	201	121	-	-	121
Government bonds and securities	3,172	-	-	3,172	2,917	-	-	2,917
Insurer managed funds	1,729	1	-	1,730	1,387	1	-	1,388
Bank balances	10	-	-	10	6	-	-	6
Others	142	-	-	142	126	-	-	126
	7,214	1	-	7,215	6,389	1	-	6,390

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

	(₹ crore)									
	As at March 31, 2024				As at March 31, 2023					
	Domestic plans		Foreign plans		Total	Domestic plans		Foreign plans		Total
	Funded	Unfunded	Funded	Unfunded		Funded	Unfunded	Funded	Unfunded	
Service cost	481	-	4	485	512	-	5	517		
Net interest on net defined benefit asset	(139)	-	1	(138)	(94)	-	1	(93)		
Net periodic gratuity / pension cost	342	-	5	347	418	-	6	424		
Actual return on plan assets	610	-	-	610	321	-	-	321		

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

	(₹ crore)				
	As at March 31, 2024				
	Domestic plans		Foreign plans		
	Funded	Unfunded	Funded	Unfunded	
Actuarial gains arising from changes in demographic assumptions		(2)	-	-	(2)
Actuarial losses arising from changes in financial assumptions	66		-	-	66
Actuarial 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	

	(₹ crore)				
	As at March 31, 2023				
	Domestic plans		Foreign plans		
	Funded	Unfunded	Funded	Unfunded	
Actuarial losses arising from changes in demographic assumptions	30		-	1	31
Actuarial gains arising from changes in financial assumptions	(164)		-	(3)	(167)
Actuarial (gains) and losses arising from changes in experience adjustments	(24)		-	3	(21)
Remeasurement of the net defined benefit liability	(158)		-	1	(157)
Remeasurement - return on plan assets excluding amount included in interest income	103		-	-	103
	(55)		-	1	(54)

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

	As at March 31, 2024		As at March 31, 2023	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	7.25%	3.50%-4.80%	7.50%	3.90%-4.80%
Rate of increase in compensation levels of covered employees	6.00%	2.68% - 3.63%	6.00%	1.95%-3.62%
Rate of return on plan assets	7.25%	3.50%-4.80%	7.50%	3.90%-4.80%
Weighted average duration of defined benefit obligations	6 Years	3-6 Years	7 Years	3-8 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 March 31, 2024. The Company does not expect to contribute to defined benefit plan obligations funds for year ending March 31, 2025 in view of adequate surplus plan assets as at March 31, 2024.

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

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

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	(123)	(121)
Decrease of 0.50%	129	127

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

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	130	129
Decrease of 0.50%	(125)	(123)

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 year ended March 31, 2024 as follows:

Year ending March 31,	(₹ crore)	
	Defined benefit obligations	
2025	798	
2026	670	
2027	665	
2028	650	
2029	603	
2030-2034	2,297	

Provident fund

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

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The details of fund and plan assets are given below:

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

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

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

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

The Company expensed ₹1,681 crore and ₹1,614 crore for the years ended March 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 ₹286 crore and ₹278 crore for the years ended March 31, 2024 and 2023, respectively, towards Employees' Superannuation Fund.

Foreign defined contribution plan

The Company expensed ₹1,316 crore and ₹1,070 crore for the years ended March 31, 2024 and 2023, respectively, towards foreign defined contribution plans.

13) Cost recognition

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

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software 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.

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(a) Cost of equipment and software licences

Cost of equipment and software licences consist of the following:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Raw materials, sub-assemblies and components consumed	42	37
Equipment and software licences purchased	3,300	1,381
	3,342	1,418
Finished goods and work-in-progress		
Opening stock	5	3
Less: Closing stock	-*	5
	5	(2)
	3,347	1,416

*Represents value less than ₹0.50 crore.

(b) Other expenses

Other expenses consist of the following:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Fees to external consultants	22,539	25,539
Facility expenses	2,511	2,178
Travel expenses	2,340	2,100
Communication expenses	1,528	1,588
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	97	110
Other expenses	11,011	10,208
	40,026	41,723

Other expenses include ₹5,118 crore and ₹4,777 crore for the years ended March 31, 2024 and 2023, respectively, towards sales, marketing and advertisement expenses and ₹ 3,655 crore and ₹2,544 crore for the years ended March 31, 2024 and 2023, respectively, towards project expenses.

(c) Corporate Social Responsibility (CSR) expenditure

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
1 Amount required to be spent by the company during the year	818	773
2 Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	827	783
3 Shortfall at the end of the year	-	-
4 Total of previous years shortfall	-	-
5 Reason for shortfall	-	NA
6 Nature of CSR activities	Education, Research, Health care, Conservation and empowerment programs	
7 Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard:		
Contribution to TCS Foundation in relation to CSR expenditure	520	543

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

14) Finance costs

Finance costs consist of the following:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	438	421
Interest on tax matters	23	49
Other interest costs	212	225
	673	695

15) Income taxes

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

Current income taxes

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

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

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

Deferred income taxes

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

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

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

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

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

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

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

The income tax expense consists of the following:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax expense for current year	14,422	13,623
Current tax benefit pertaining to prior years	(244)	(677)
	14,178	12,946
Deferred tax		
Deferred tax benefit for current year	(135)	(362)
	(135)	(362)
	14,043	12,584

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

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Profit before taxes		
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	20,128	18,063
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(6,393)	(5,097)
Income exempt from tax	(1,152)	(736)
Undistributed earnings in branches	(35)	58
Tax on income at different rates	1,313	963
Tax pertaining to prior years	(244)	(677)
Effect of tax rate change under new regime	441	-
Others (net)	(15)	10
Total income tax expense	14,043	12,584

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

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

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

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / utilisation	Closing balance	(₹ crore)
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:

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

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

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

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / Utilisation	(₹ crore)	Closing balance
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	374	223	-	-	597	
Provision for employee benefit obligations	733	53	-	-	786	
Cash flow hedges	8	-	(1)	-	7	
Receivables, financial assets at amortised cost	372	31	-	-	403	
MAT credit entitlement	974	-	-	(974)	-	
Branch profit tax	(77)	(58)	-	-	(135)	
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(320)	-	237	-	(83)	
Lease liabilities and right-of-use assets	181	7	-	-	188	
Others	405	106	-	-	511	
	2,650	362	236	(974)	2,274	

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2023	(₹ crore)		
	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and Intangible assets	651	54	597
Provision for employee benefit obligations	786	-	786
Cash flow hedges	7	-	7
Receivables, financial assets at amortised cost	403	-	403
Branch profit tax	-	135	(135)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(83)	-	(83)
Lease liabilities	1,090	-	1,090
Right-of-use assets	(902)	-	(902)
Others	512	1	511
	2,464	190	2,274

Under the Income-tax Act, 1961, the Company is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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 ₹1,794 crore and ₹1,471 crore as at March 31, 2024 and 2023, 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 March 31, 2024 and 2023, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

The 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.

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

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.

16) Earnings per share

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

	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year (₹ crore)	43,559	39,106
Weighted average number of equity shares	364,68,51,755	365,90,51,373
Basic and diluted earnings per share (₹)	119.44	106.88
Face value per equity share (₹)	1	1

17) Auditor's remuneration

Auditor's remuneration consists of the following:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Auditor	11	11
For taxation matters	1	1
For other services	4	4
For reimbursement of expenses	1	1

18) Segment information

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

19) Commitments and contingencies

Capital commitments

The Company has contractually committed (net of advances) ₹1,939 crore and ₹1,454 crore as at March 31, 2024 and 2023, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

Refer note 15.

- **Indirect tax matters**

The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company has demands amounting to ₹516 crore and ₹498 crore as at March 31, 2024 and 2023, respectively, from various indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants.

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

• **Other claims**

Claims aggregating ₹126 crore and ₹218 crore as at March 31, 2024 and 2023, respectively, against the Company have not been acknowledged as debts.

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

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

20) Related party transactions

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

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

Transactions with related parties are as follows:

	Year ended March 31, 2024					(₹ crore)
	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	26,298	1,006	3,875	-	31,229
Dividend income	-	3,296	-	-	-	3,296
Rent income	-	43	-	-	-	43
Other income	-	40	-	-	-	40
Purchases of goods and services (including reimbursements)	1	17,707	1,344	248	-	19,300
Brand equity contribution	200	-	-	-	-	200
Facility expenses	1	76	18	73	-	168
Lease rental	-	-	49	46	-	95
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	-	-	7	(1)	-	6
Contribution and advance to post employment benefit plans	-	-	-	-	3,783	3,783
Purchase of property, plant and equipment	-	-	108	98	-	206
Advances given	-	5	1,013	98	-	1,116
Advances recovered	-	5	8	4	-	17
Advances taken	-	45	27	1	-	73
Dividend paid	18,177	-	8	2	-	18,187
Buy-back of shares	10,548	-	4	3	-	10,555
Cost recovery	-	4,177	-	-	-	4,177
Sale of property, plant and equipment	-	1	-	-	-	1
Transfer in of employee benefit obligations	-	1	-	-	-	1

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

(₹ crore)

	Year ended March 31, 2023					Total
	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	
Revenue from operations	38	23,753	1,152	2,506	-	27,449
Dividend income	-	2,106	-	-	-	2,106
Rent income	-	33	-	-	-	33
Other income	-	36	-	-	-	36
Purchases of goods and services (including reimbursements)	-	15,069	564	226	-	15,859
Brand equity contribution	99	-	-	-	-	99
Facility expenses	1	109	23	59	-	192
Lease rental	-	-	56	47	-	103
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	-	-	(1)	1	-	-
Contribution and advance to post employment benefit plans	-	-	-	-	2,955	2,955
Purchase of property, plant and equipment	-	1	13	137	-	151
Advances given	-	-	1	45	-	46
Advances recovered	-	-	1	15	-	16
Advances taken	-	2	25	5	-	32
Dividend paid	29,881	-	16	6	-	29,903
Guarantees given	-	237	-	-	-	237
Cost recovery	-	3,591	-	-	-	3,591
Transfer out of employee benefit obligations	-	6	-	-	-	6
Transfer in of employee benefit obligations	-	1	-	-	-	1

Balances receivable from related parties are as follows:

(₹ crore)

	As at March 31, 2024					Total
	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	
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

(₹ crore)

	As at March 31, 2023					Total
	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	
Trade receivables and contract assets	2	7,279	429	794	-	8,504
Loans, other financial assets and other assets	10	458	95	85	-	648
	12	7,737	524	879	-	9,152

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

Balances payable to related parties are as follows:

	As at March 31, 2024					(₹ crore)
	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	
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	181	7,824	993	422	-	9,420
Commitments and guarantees	-	3,664	1,412	13	-	5,089

	As at March 31, 2023					(₹ crore)
	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	
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	90	6,771	364	314	278	7,817
Commitments and guarantees	-	4,427	12	50	-	4,489

Material related party transactions are as follows:

	(₹ crore)	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		
Tata Consultancy Services Deutschland GmbH	3,593	3,221
Tata Consultancy Services Netherlands BV	4,009	3,402
Tata Consultancy Services Canada Inc.	3,666	3,544
Jaguar Land Rover Limited	2,902	1,706
Tata Digital Private Limited	286	502
Purchases of goods and services (including reimbursements) and net of cost recovery		
Tata America International Corporation	4,184	3,824
Tata Consultancy Services De Mexico S.A., De C.V.	3,335	2,946
Tata Consultancy Services Canada Inc.	1,938	1,280
Tejas Networks Limited	754	-
Dividend income		
Tata America International Corporation	1,158	643
TCS Iberoamerica SA	835	190
Advances given		
Tejas Networks Limited	960	-

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

Material related party balances are as follows:

	(₹ crore)	
	As at March 31, 2024	As at March 31, 2023
Trade receivables and contract assets		
Tata America International Corporation	1,931	1,366
Tata Consultancy Services France	1,249	1,227
Jaguar Land Rover Limited	898	482
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata America International Corporation	2,978	2,688
Tata Consultancy Services De Mexico S.A., De C.V.	984	933
Tata Consultancy Services Canada Inc.	1,077	618
Tejas Networks Limited	607	-
Loans, other financial assets and other assets		
Tejas Networks Limited	960	-

Transactions with key management personnel are as follows:

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

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

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

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

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

- 22)** The sitting fees and commission paid to non-executive directors is ₹15 crore and ₹13 crore as at March 31, 2024 and 2023, respectively.
- 23)** The Board of Directors approved post-employment benefits, payable to the outgoing CEO and Managing Director, which has been actuarially valued. Accordingly, the Company has recorded an expense of ₹48 crore during the year ended March 31, 2024.
- 24)** 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.

TATA CONSULTANCY SERVICES LIMITED
Notes forming part of Standalone Financial Statements

25) Additional Regulatory Information

• **Ratios**

Ratio	Numerator	Denominator	Current year	Previous year
Current ratio (in times)	Total current assets	Total current liabilities	2.2	2.4
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.1	0.1
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	24.0	23.4
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	59.4%	51.6%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.5	4.8
Trade payables turnover ratio (in times)	Cost of equipment and software licences + Other expenses	Average trade payables	3.1	3.6
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	3.8	3.5
Net profit ratio (in %)	Profit for the year	Revenue from operations	21.5%	20.5%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	74.3%	65.2%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	8.3%	7.4%

26) Dividends

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

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

NOTES FORMING PART OF 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 Krishivasan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Amit Somani
Partner
Membership No: 060154

Mumbai, April 12, 2024

Samir Seksaria
CFO

Mumbai, April 12, 2024

Pradeep Manohar Gaitonde
Company Secretary

TATA CONSULTANCY SERVICES LIMITED

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014
in the prescribed Form AOC-1 relating to subsidiary companies**

Sr. No.	Name of the Subsidiary Company	Date of becoming subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Parent Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	₹ crore		Country
1	Tata America International Corporation	August 9, 2004	April 1, 2023	March 31, 2024	USD	USD	83.382500	2	1,667	5,245	3,576	357	5,398	1,454	276	1,178	-	100%	U.S.A.	
2	Tata Consultancy Services Canada Inc.	October 1, 2009	April 1, 2023	March 31, 2024	CAD	CAD	61.306154	43	1,863	3,973	2,067	-	11,712	1,419	374	1,045	-	100%	Canada	
3	Tata Consultancy Services Argentina S.A.	August 9, 2004	January 1, 2023	December 31, 2023	ARS	USD	0.097220	-	(1)	23	24	-	24	(1)	-	(1)	-	100%	Argentina	
4	Tata Consultancy Services Chile S.A.	August 9, 2004	January 1, 2023	December 31, 2023	CLP	USD	0.085062	145	215	517	157	48	788	55	9	46	-	100%	Chile	
5	Tata Consultancy Services De Mexico S.A., De C.V.	August 9, 2004	January 1, 2023	December 31, 2023	MXN	USD	5.032106	1	915	2,274	1,358	-	5,389	313	109	204	-	100%	Mexico	
6	Tata Consultancy Services Do Brasil Ltda	August 9, 2004	January 1, 2023	December 31, 2023	BRL	USD	16.726009	294	127	772	351	-	1,770	49	24	25	-	100%	Brazil	
7	TCS Iberoamerica SA	August 9, 2004	January 1, 2023	December 31, 2023	USD	USD	83.382500	821	1,001	1,822	-	1,811	-	862	32	830	-	100%	Uruguay	
8	TCS Inversiones Chile Limitada	August 9, 2004	January 1, 2023	December 31, 2023	CLP	USD	0.085062	130	149	302	23	273	36	45	1	44	-	100%	Chile	
9	TCS Solution Center S.A.	August 9, 2004	January 1, 2023	December 31, 2023	UYU	USD	2.220573	80	240	481	161	-	1,022	113	37	76	-	100%	Uruguay	
10	TATASOLUTION CENTER S.A.	December 28, 2006	January 1, 2023	December 31, 2023	USD	USD	83.382500	25	71	217	121	-	417	1	-	1	-	100%	Ecuador	
11	MGDC S.C.	January 1, 2010	January 1, 2023	December 31, 2023	MXN	USD	5.032106	85	(58)	76	49	-	57	(26)	12	(38)	-	100%	Mexico	
12	TCS Uruguay S.A.	January 1, 2010	January 1, 2023	December 31, 2023	UYU	USD	2.220573	-	246	431	185	79	908	106	6	100	-	100%	Uruguay	
13	Tata Consultancy Services Guatemala, S.A.	September 1, 2021	January 1, 2023	December 31, 2023	GTO	USD	10.694314	8	19	46	19	-	65	9	3	6	-	100%	Guatemala	
14	Tata Consultancy Services Belgium	August 9, 2004	April 1, 2023	March 31, 2024	EUR	INR	89.994776	2	584	1,184	598	-	2,885	160	43	117	-	100%	Belgium	
15	Tata Consultancy Services De Espana S.A.	August 9, 2004	April 1, 2023	March 31, 2024	EUR	EUR	89.994776	1	130	227	96	-	536	(9)	(17)	8	-	100%	Spain	
16	Tata Consultancy Services Deutschland GmbH	August 9, 2004	April 1, 2023	March 31, 2024	EUR	INR	89.994776	1	908	2,364	1,455	-	6,769	149	48	101	-	100%	Germany	
17	Tata Consultancy Services Italia s.r.l.	August 9, 2004	April 1, 2023	March 31, 2024	EUR	EUR	89.994776	20	62	162	80	-	361	13	9	4	-	100%	Italy	
18	Tata Consultancy Services Netherlands BV	August 9, 2004	April 1, 2023	March 31, 2024	EUR	EUR	89.994776	594	2,803	5,024	1,627	1,755	8,423	686	121	565	-	100%	Netherlands	
19	Tata Consultancy Services Sverige AB	August 9, 2004	April 1, 2023	March 31, 2024	SEK	SEK	7.798734	-	1,157	1,613	456	-	4,224	337	72	265	-	100%	Sweden	
20	Tata Consultancy Services (Portugal) Unipessoal, Limitada	July 4, 2005	April 1, 2023	March 31, 2024	EUR	EUR	89.994776	-	54	102	48	-	144	26	6	20	-	100%	Portugal	
21	Diligenta Limited	August 23, 2005	January 1, 2023	December 31, 2023	GBP	GBP	105.137035	11	1,662	3,001	1,328	616	5,748	295	67	228	-	100%	U.K.	
22	Tata Consultancy Services Luxembourg S.A.	October 28, 2005	April 1, 2023	March 31, 2024	EUR	EUR	89.994776	50	73	255	132	-	739	87	25	62	-	100%	Capellen (G.D. de Luxembourg)	
23	Tata Consultancy Services Switzerland Ltd.	October 31, 2006	April 1, 2023	March 31, 2024	CHF	EUR	92.033664	14	852	1,781	915	-	4,569	252	49	203	-	100%	Switzerland	
24	Tata Consultancy Services France	June 28, 2013	April 1, 2023	March 31, 2024	EUR	EUR	89.994776	4	(279)	1,752	2,027	-	2,998	83	(14)	97	-	100%	France	
25	Tata Consultancy Services Saudi Arabia	July 2, 2015	January 1, 2023	December 31, 2023	SAR	EUR	22.231776	8	153	654	493	-	1,057	34	7	27	-	100%	Saudi Arabia	
26	Tata Consultancy Services UK Limited	October 31, 2018	January 1, 2023	December 31, 2023	GBP	GBP	105.137035	-	34	83	49	-	50	5	1	4	-	100%	U.K.	
27	TCS Business Services GmbH	March 9, 2020	April 1, 2023	March 31, 2024	EUR	INR	89.994776	-	97	187	90	62	141	19	6	13	-	100%	Germany	
28	Tata Consultancy Services Bulgaria EOOD	August 31, 2021	January 1, 2023	December 31, 2023	BGN	EUR	46.011754	-	33	71	38	-	85	7	1	6	-	100%	Bulgaria	
29	Tata Consultancy Services Ireland Limited	December 2, 2020	January 1, 2023	December 31, 2023	EUR	EUR	89.994776	225	219	610	166	-	1,403	128	15	113	-	100%	Ireland	
30	TCS Technology Solutions GmbH	January 1, 2021	January 1, 2023	December 31, 2023	EUR	EUR	89.994776	29	837	1,603	737	-	1,433	68	(17)	85	-	100%	Germany	
31	Tata Consultancy Services Osterreich GmbH	March 9, 2012	April 1, 2023	March 31, 2024	EUR	EUR	89.994776	-	5	61	56	-	107	1	-	1	-	100%	Austria	
32	Saudi Desert Rose Holding B.V.	May 26, 2021	January 1, 2023	December 31, 2023	EUR	EUR	89.994776	-	-	-	-	-	-	-	-	-	0%	Netherlands		
33	Diligenta (Europe) B.V.	September 14, 2023	January 1, 2023	December 31, 2023	EUR	USD	89.994776	-	-	11	11	-	9	-	-	-	100%	Netherlands		
34	Tata Consultancy Services Asia Pacific Pte Ltd.	August 9, 2004	April 1, 2023	March 31, 2024	USD	USD	83.382500	37	1,012	1,880	831	929	2,836	307	35	272	-	100%	Singapore	
35	Tata Consultancy Services Malaysia Sdn Bhd	August 9, 2004	April 1, 2023	March 31, 2024	MYR	USD	17.611680	4	92	260	164	-	554	69	14	55	-	100%	Malaysia	
36	TCS FNS Pty Limited	October 17, 2005	April 1, 2023	March 31, 2024	AUD	AUD	54.181949	202	(61)	141	-	2	-	51	-	51	-	100%	Australia	
37	TCS Financial Solutions Australia Pty Limited	October 19, 2005	April 1, 2023	March 31, 2024	AUD	AUD	54.181949	-	54	94	40	-	59	47	16	31	-	100%	Australia	
38	PT Tata Consultancy Services Indonesia	October 5, 2006	April 1, 2023	March 31, 2024	IDR	USD	0.005259	1	26	59	32	-	71	9	-	9	-	100%	Indonesia	
39	Tata Consultancy Services (China) Co., Ltd.	November 16, 2006	January 1, 2023	December 31, 2023	CNY	USD	11.537158	233	138	509	138	40	1,056	101	27	74	-	100%	China	
40	TCS Financial Solutions Beijing Co., Ltd.	December 29, 2006	January 1, 2023	December 31, 2023	CNY	AUD	11.537158	42	(2)	48	8	-	63	5	-	5	-	100%	China	
41	Tata Consultancy Services (Thailand) Limited	May 12, 2008	April 1, 2023	March 31, 2024	THB	USD	2.284452	2	13	39	24	-	98	11	2	9	-	100%	Thailand	
42	Tata Consultancy Services (Philippines) Inc.	September 19, 2008	April 1, 2023	March 31, 2024	PHP	USD	1.483081	(41)	202	503	342	-	985	103	12	91	-	100%	Philippines	
43	Tata Consultancy Services Japan, Ltd.	July 1, 2014	April 1, 2023	March 31, 2024	JPY	USD	0.550870	238	1,505	3,164	1,421	-	5,155	542	146	396	-	66%	Japan	
44	APTONline Limited	August 9, 2004	April 1, 2023	March 31, 2024	INR	INR	1.000000	2	126	218	90	52	164	33	10	23	-	89%	India	
45	C Edge Technologies Limited	January 19, 2006	April 1, 2023	March 31, 2024	INR	INR	1.000000	10	401	536	125	-	423	128	34	94	-	51%	India	
46	MP Online Limited	September 8, 2006	April 1, 2023	March 31, 2024	INR	INR	1.000000	1	139	220	80	29	89	38	9	29	-	89%	India	
47	TCS e-Serve International Limited	December 31, 2008	April 1, 2023	March 31, 2024	INR	INR	1.000000	10	466	877	401	268	1,870	307	78	229	-	100%	India	
48	MahaOnline Limited	September 23, 2010	April 1, 2023	March 31, 2024	INR	INR	1.000000	3	82	146	61	84	-	8	2	6	-	74%	India	
49	Tata Consultancy Services (Africa) (PTY) Ltd.	October 23, 2007	January 1, 2023	December 31, 2023	ZAR	ZAR	4.389523	6	41	47	-	47	-	34	-	34	-	100%	South Africa	
50	Tata Consultancy Services (South Africa) (PTY) Ltd.	October 31, 2007	January 1, 2023	December 31, 2023	ZAR	ZAR	4.389523	8	97	557	452	-	934	68	19	49	-	100%	South Africa	
51	Tata Consultancy Services Qatar LLC	December 20, 2011	January 1, 2023	December 31, 2023	QAR	QAR	22.897844	5	46	84	33	-	51	18	2	16	-	100%	Qatar	
52	TCS Foundation	March 25, 2015	April 1, 2023	March 31, 2024	INR	INR	1.000000	1	1,306	2,402	1,095	150	-	-	-	-	-	100%	India	

TATA CONSULTANCY SERVICES LIMITED

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014
in the prescribed Form AOC-1 relating to subsidiary companies**

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2024.
2. TCS Technology Solutions AG is now renamed as TCS Technology Solution GmbH.
3. Saudi Desert Rose Holding B.V. merged with Tata Consultancy Services Netherlands BV w.e.f. August 29, 2023.
4. Diligenta Limited incorporated a subsidiary, Diligenta (Europe) B.V. in Netherlands on September 14, 2023.

For and on behalf of the Board

K Krishivasan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

Samir Seksaria
CFO

Pradeep Manohar Gaitonde
Company Secretary

Mumbai, April 12, 2024