TCS | TATA CONSULTANCY SERVICES

TATA

2019-20

INTEGRATED ANNUAL REPORT

PURPOSE-DRIVEN.
RESILIENT.
ADAPTABLE.

Content

About TCS[1]

Tata Consultancy Services is an IT services, consulting and business solutions organization that has been partnering with many of the world's largest businesses in their transformation journeys for over 50 years. TCS offers a consulting-led, cognitive powered, integrated portfolio of business, technology and engineering services and solutions. This is delivered through its unique Location Independent Agile™ delivery model, recognized as a benchmark of excellence in software development.

A part of the Tata group, India's largest multinational business group, TCS has over 448,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of **US $22 billion** in the fiscal year ended March 31, 2020, and is listed on the **BSE** (formerly Bombay Stock Exchange) and the **NSE** (National Stock Exchange) in India.

TCS' proactive stance on climate change and award-winning work with communities across the world have earned it a place in leading sustainability indices such as the MSCI Global Sustainability Index and the FTSE4Good Emerging Index. For more information, visit us at **www.tcs.com**

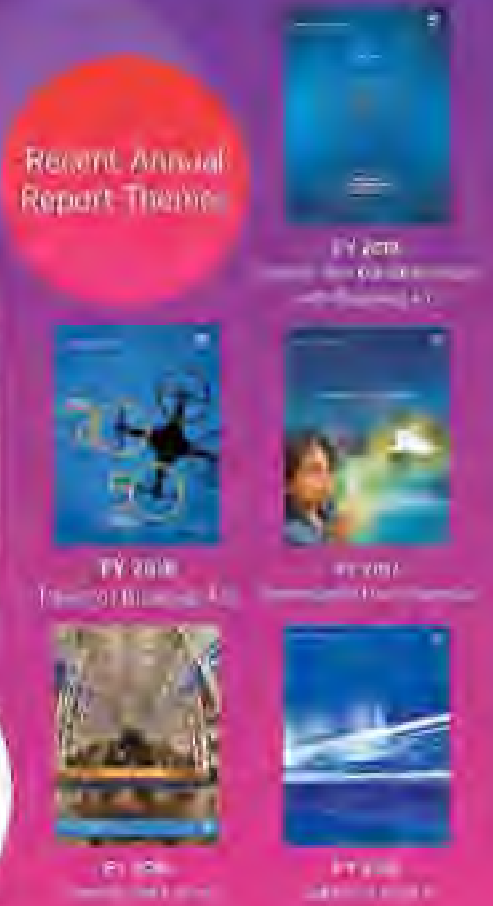
[1]102-1, 102-5, 102-7

Theme

Recent events have highlighted the importance of building organizational resilience, agility and adaptability. At the heart of any organization's resilience is its people, supported by enabling processes and technologies. Empowered people, who are driven by a sense of organizational purpose, take ownership for outcomes. They know the right thing to do during a crisis, even when no explicit directions are provided.

TCS' track record of navigating multiple economic cycles and technology changes over the past five decades can be traced to its culture of empowerment and its purpose-driven worldview. The company is best described by this year's theme: Purpose Driven. Resilient. Adaptable.

During these difficult times, TCS is staying close to customers and helping them develop and implement their own purpose-driven strategies, and enhance their organizational resilience and adaptability so they can survive future shocks, pivot into new business models or launch new offerings and thrive in the new normal.



Board of Directors

From left to right

O P Bhatt
Independent Director

Don Callahan
Independent Director

Rajesh Gopinathan
Chief Executive Officer and Managing Director

Aarthi Subramanian
Director

N Chandrasekaran
Chairman

Hanne Birgitte Breinbjerg Sorensen
Independent Director

Dr Pradeep Kumar Khosla
Independent Director

N G Subramaniam
Chief Operating Officer and Executive Director

Keki M Mistry
Independent Director

Management Team

Corporate

Rajesh Gopinathan
Chief Executive Officer and Managing Director

N G Subramaniam
Chief Operating Officer and Executive Director

V Ramakrishnan
Chief Financial Officer

Milind Lakkad
Global Head Human Resources

Rajashree R
Chief Marketing Officer

K Ananth Krishnan
Chief Technology Officer

Madhav Anchan
General Counsel Legal & Corporate Affairs

Rajendra Moholkar
Company Secretary

Business Heads

Surya Kant
North America, UK and Europe

Krishnan Ramanujam
Business and Technology Services

K Krithivasan
Banking, Financial Services and Insurance

Shankar Narayanan
Retail, Travel and Consumer Products

Kamal Bhadada
Communication, Media and Information Services

Debashis Ghosh
Life Sciences, Healthcare and Public Services

Susheel Vasudevan
Manufacturing and Utilities

Suresh Muthuswami
BFSI Platforms

Letter from the Chairman

Dear Stakeholder,

Adversity, they say, is the true test of character. Your company achieved many admirable wins and milestones through the first 11 months of FY 2020. But it was in the final days of the year that the true nature of its purpose-driven worldview truly shone through. Your company prioritized the health and safety of its employees, kept customers' mission-critical systems running under very difficult circumstances and pitched in to help communities across the world battle the pandemic.

When we emerge out of this crisis, the world will be a very different place. We are witnessing many of those changes already. With cloud and the new class of collaboration tools, people are discovering that they are able to collaborate with each other just as well working from home, as they did in person in the pre-COVID era. Employers are discovering that the productivity is just as good, if not better, in this new way of working.

In many sectors, digital channels have gone from being secondary, nice-to-have options to become the primary channels, and in some instances, the only channels. Schools, colleges and even courts have shifted to an online-only mode. Farmers' cooperatives are taking online orders and directly delivering fresh produce to city-dwellers. This is the transformation that we had spoken of five years ago, when we said that Default is Digital, but even I am still amazed by the scale and speed of the change.

[illegible]

The sharp shift in consumer preferences will force enterprises to significantly accelerate their digital transformation initiatives. They will also invest heavily in building resilience at every level, on the front-end as well as in back-office operations. Having pioneered Location Independent Agile™ and the Machine First™ Delivery Model, both of which are of immense value to organizations looking to build operational resilience and agility, your company is very well positioned to benefit from these trends.

Stepping back from the enterprise level and taking a more global view, I believe that the new world in which digital channels become mainstream, which I described in my book Bridgital Nation, will offer countries like India a unique opportunity to implement large scale digital interventions that would provide its citizenry easier access to essential services, while creating millions of new jobs. Your company has been at the forefront in enabling several such high-impact initiatives. TCS' Financial Inclusion Network supports over 210 million no-frills accounts set up under the Pradhan Mantri Jan Dhan Yojana. The scheme has created jobs for over 100,000 banking correspondents who go out to remote villages with handheld devices to provide banking services to the unbanked.

There are several other examples: the Passport Seva project which completely reimagined the issuance of passports, the digital transformation of India Post, the platform that supports Ayushman Bharat – the world's largest, fully funded health insurance scheme covering 500 million of India's poorest, and so on. Each of these initiatives showcases the innovative use of technology to transform citizen services, enhance inclusivity and reduce inequity in society.

By staying true to its purpose and its values, and helping its employees, customers and communities use the power of technology to realize their potential, your company is the embodiment of stakeholder capitalism in the true spirit of the Tata ethos. Over the last five decades, your company has shown itself to be very purpose-driven, resilient and adaptable, staying relevant to its customers through multiple economic and technology cycles and doing good for all its stakeholders. This is the secret behind its longevity and sustainability.

The next few months will be difficult, but your company is strong with deep relationships with customers and partners, enviable scale, a diversified business mix, a robust and resilient business model, and strong financials. It is well positioned to weather the storms ahead and take advantage of opportunities that come up during the downturn to acquire new capabilities and gain market share. In the post-pandemic world, technology will play an ever larger role in helping enterprises adapt to the new normal and differentiate themselves. Your company is well poised to take the lead in partnering customers to recover and rebound on to their growth and transformation journeys.

On behalf of the Board of Directors of Tata Consultancy Services, I want to thank you for your continued trust, confidence, and support.

Warm regards,

N Chandrasekaran
Chairman

Letter from the CEO

Dear Stakeholder,

It is a measure of how quickly and profoundly our world has changed, that when we look back at the year gone by, it feels like a different era altogether.

In FY 2020, your Company delivered revenue of **₹156,949 crore**, growing **7.2%** over the prior year in reported terms, and **7.1%** in constant currency terms.

Our operating margin continued to be best in class, at **24.6%**. Net profit was **₹32,340 crore**, a net margin of **20.6%**. Our cash conversion continues to be very strong, with a cash conversion ratio of **100.1%** and free cash flow of **₹29,281 crore**.

The Board has recommended a final dividend of **₹6** for the year, bringing the total dividend for the year to **₹73** per share. This translates into **₹31,895 crore** returned to shareholders in FY 2020, which is **108.9%** of the free cash flow.

We had a very productive year, engaging with customers in their innovation, growth and transformation initiatives, expanding and deepening our relationships, deploying very impactful solutions, and winning some of our largest deals till date.

However, it is our response to the events of the last ten days of the fiscal year that will be our most defining accomplishment of FY 2020.

102-14

> We expect that by 2025, only 25% of our associates will need to work out of our facilities at any point of time, and every associate will be able to realize their potential without spending more than 25% of their time in a TCS office.

Responding with Speed and Agility

As the pandemic spread, our priority was to safeguard the health and well-being of our employees while continuing to support our customers' mission critical activities globally.

The lockdowns tested the agility, resilience and adaptability of our delivery model. We responded to the challenge with speed and agility, and have emerged stronger, with our model now proven to be able to adapt to even extreme shocks. From a highly centralized model, with large campuses accommodating thousands of employees, we were able to switch to an extreme form of distributed delivery, with 90% of our 448,000-strong workforce enabled to work remotely, in a matter of days.

We not just enabled remote access for our associates but also calibrated our project management framework and security posture so that work could be securely allocated, governed, and reported, while maintaining our stringent security controls, and pivoted into a new operating model that we call Secure Borderless Workspaces™ (SBWS™).

Using SBWS, we have been able to continue supporting our customers not only in their mission critical operations but also their transformational projects, just as before, without any slippages.

A New Location Agnostic Operating Model

The Secure Borderless Workspaces model is an extension of the Open Agile Workspaces framework that powered the innovative Location Independent Agile™ model that we pioneered two years ago. It leverages all our prior investments, and incorporates the learnings and best practices around network management, a standard service delivery environment, cloud-enabled governance processes, heavy use of digital collaboration tools, and an internal Security Operations Center benchmarked to the best in the industry.

Even though these are early days, the outcomes from our new model have been impressive. Our cloud-based project monitoring system has been tracking the progress of over 23,000 ongoing projects on a real time basis, ensuring that our customers continue to experience the same high quality of delivery and certainty of outcomes that they have come to expect of TCS. There are even pockets where we have witnessed improved velocity, throughput, and productivity.

SBWS will continue to be an integral part of our new operating model and represents the future of work. It helps TCSers enjoy a better quality of life, while making TCS' service delivery more resilient as the fully distributed model is better suited for business continuity.

Our customers are comfortable with this model and want us to take more work that others are not able to handle. This has given us the confidence to come out with a bold new Vision 25x25. We believe that by 2025, only 25% of our associates will need to work out of our facilities at any point of time, and every associate will be able to realize their potential without spending more than 25% of their time in a TCS office.

Purpose-driven, Resilient, Adaptable

We have received over 500 emails from customers in recent weeks, appreciating how seamlessly TCS managed the transition to SBWS, and expressing gratitude for how our teams went above and beyond to help keep their mission-critical systems and their business operations running under very difficult circumstances.

Going through some of those notes filled me with immense pride. No training or standard operating process tells our associates that while enabling work-from-home for a customer organization, they should work extended hours, to step in and complete the work that another vendor was supposed to do, but had not. Or that they should think out of the box and implement innovative solutions to rapidly build new online features that a customer in the retail or pharma sector needed to urgently roll out for their end-customers during the pandemic.

That kind of dedication to doing whatever it takes to help customers achieve their objectives, can only come from deep within, when individuals are driven by a higher sense of purpose that goes beyond the immediate task assigned to them.

For over five decades, TCS has been helping individuals, enterprises, and communities use technology to realize their potential. This organizational purpose has served as a beacon that has guided our customer-centric strategy, our policies and our decision-making over the years. Our greatest accomplishment has been to imbue every TCSer with this same purpose-driven worldview.

This organizational purpose has also shaped the culture of empowerment at TCS. Empowered individuals take ownership of outcomes, beyond just the completion of an assigned task. Empowered, purpose-driven teams can cope even with unexpected events because they know exactly what they need to do, even when no explicit instructions are provided. Such concerted, autonomous behaviors, in aggregate, give the organization the ability to cope with sudden shocks, and impart organizational resilience.

Our purpose has helped us stay relevant to our customers through their evolving needs. TCS has successfully navigated through multiple technology and economic cycles over the last five decades, pivoting and adapting each time to build new capabilities and even new business models, and offer the services and solutions most relevant to our customers at that point in time. Our responsiveness, agility and adaptability to change have been central to our longevity.

Commitment and Trust

Our commitment to help our employees realize their potential reflects in the investments we have been making in organic talent development over the years. This has resulted in industry-leading learning outcomes. TCSers collectively logged 37.7 million learning hours in FY 2020, building expertise in multiple technologies to augment the contextual knowledge they possess of the customer's business and technology landscape.

In the current environment of economic uncertainty and fear, TCSers can focus on their work and rest assured that their organization stands by them. TCS will also be honoring all the job offers made till date, to freshers and experienced professionals.

Our investments, our empathy, and our commitment is what makes our associates feel valued, and which gets reciprocated with unmatched levels of energy and dedication to our organizational purpose. It has also resulted in TCS becoming a gold standard in talent retention. Our attrition in IT services in FY 2020 was 12.1%, the lowest in the industry globally.

It is no different with our customers. TCS' customer-centricity and commitment to helping customers succeed in their businesses have helped us establish enduring customer relationships and abiding trust. Our oldest customer

relationship goes back over four decades. We have stayed close to our customers through good times and bad, helping them navigate challenges and speed bumps, harnessing the power of technology to solve their business problems and enabling competitive differentiation.

Today, we have 40 customers who spend more than $100 million a year with us. The trust levels are so high, they turn to us to help them realize their growth and transformation objectives. In the case of one UK insurance customer, TCS and the transformational work we are doing for them have figured in the CEO's letter to their shareholders every year for the last three years. The strength of these relationships and the trust we enjoy is what gives us the confidence that we will come out of these difficult times stronger together.

The same purpose-driven worldview shapes the community initiatives we take up across the world, for building skills and fostering entrepreneurship to bridge the digital divide, to encourage STEM education and careers, and to enable better healthcare and wellness.

We pick programs that are scalable and which can make a big, measurable impact on the local community. These programs are estimated to have benefited over 840,000 people across the world. Our employees have also been doing their bit for worthy social and environmental causes in their respective communities, collectively contributing over 780,000 volunteering hours in FY 2020.

Looking forward

We are entering the new fiscal year at a time when all major economies have been brought to a standstill. The impact has been very fast and widespread, and the next few months will be very difficult for everyone, individuals and organizations.

On the other hand, the economic downturn is not due to any structural problem in any industry, but due to an externality that has hit the pause button on all economic activity. Whenever that externality is removed, an equally quick recovery should follow.

We are staying close to our customers, aligning ourselves to their evolving priorities, staying lean and nimble, finding newer ways to create value, and launching newer offerings that address current imperatives.

Many of the innovative frameworks and methodologies that we pioneered are of even greater relevance to our customers today. The TCS thought-leading Business 4.0™ framework that we launched three years ago to help enterprises leverage digital technologies for their growth and transformation agendas, continues to guide them today. Business levers such as mass personalization, creating exponential value, leveraging ecosystems, and embracing risk coupled with core technologies such as agile, automation, intelligence, and cloud are some of the foundational pillars helping enterprises respond and recover from the crisis.

Enterprises are discovering that investing in AI and automation is the best business continuity plan. Our Machine First™ Delivery Model puts AI and automation at the heart of the enterprise, making technology stacks self-healing, and operations and supply chains more resilient. Consequently, we expect many customers to accelerate their core transformation initiatives, and adoption of digital self-service channels, over the next few months.

Similarly, we are seeing huge demand for our Location Independent Agile model based Secure Borderless Workspaces offering. This is helping our customers digitize their workplace into boundary-less service clouds, leveraging the power of distributed networks for agility, resilience, and scale.

Lastly, a strong driver of how companies adapt themselves is the way they look at their organizational purpose. Organizations are seeking to introspect about what is most critical for them and their end-customers and what their true sources of value are. Firms are looking beyond the products they make and sell, to the purpose behind their existence, which in turn is helping define the blueprint for their transformation journey. TCS has been helping insurers leverage ecosystems to transform into providers of wellness, helping ship-building companies reposition into maritime solutions providers, and by applying agile innovation at scale, helping energy companies become responsive providers of affordable, reliable and clean energy. We believe this trend of purpose-driven transformation will only accelerate in the coming months.

Our strong and deep relationships with a high-quality customer base, largely Fortune 1000 and Global 2000 corporations, and our industry-leading operating margin give us the wherewithal to weather the difficulties ahead. A strong balance sheet with zero debt and a big war chest positions us strongly to seize any opportunities that might come up during this downturn.

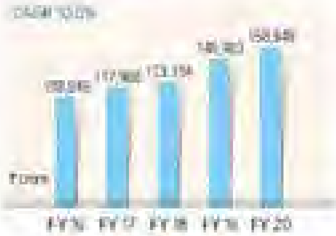
With all these strengths, we believe our relative competitiveness will only get better through the months ahead, and we will come out of this downturn, better positioned than ever to help our customers get back onto their longer-term growth and transformation journeys, and to lead in the new normal. As we navigate these uncertain times together with our customers, we look forward to your continued support.

Best Regards,

Rajesh Gopinathan
Chief Executive Officer & Managing Director

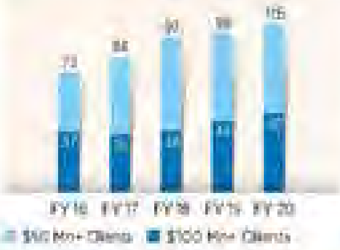
Performance Highlights[1]

Revenue Trend

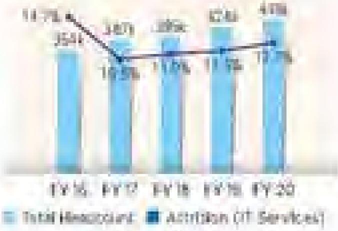


Operating Profit Trend

Client Metrics



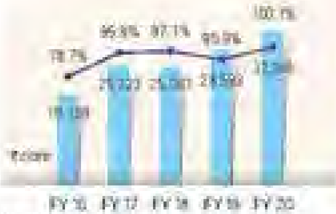
Employee Metrics



Earning Per Share*

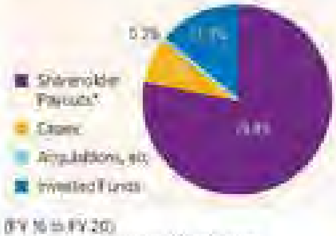
* Earnings per share is adjusted for bonus issue

OCF[†] and Cash Conversion



† Operating Cash Flow

Cash Usage



(FY 16 to FY 20)

* Including final dividend for FY 2020

Shareholder Payouts

[1] 2014

TCS' Response to Covid-19

Ensuring Business Continuity for Customers

TCS works with more than 1,000 organizations across the world, helping keep their systems and operations up and running. The company's software and solutions power the financial backbones of several countries. It runs the technology for some of the largest health care and pharmacy companies, retailers, telcos, utilities, governments and public services organizations - whose continued functioning is all the more critical during times of crisis.

In response to the lockdowns, the company launched a massive program to ensure business continuity of its services using its Secure Borderless Workspaces model, which allows TCS associates to work remotely from the safety of their homes, while continuing to provide uninterrupted support services to our customers.

"[Our] partnership with TCS has been **pivotal** in enabling us to ensure business continuity while transforming our organization to remote working almost overnight... Thanks to the TCS team for supporting us to make this possible with their **passion, proactivity** and **customer-centric philosophy.**"

VP - Global Transformation,
Major Staffing Firm

"...Despite the huge disruption to your working life, your sense of **professionalism, dedication, determination, perseverance** and above all, your **resilience** has not at all faltered. All the TCS delivery updates I am getting show all critical projects and activities continue to be met to expectations. Being able to deliver to TCS' mantra of Experience Certainty is tough enough during steady state times, let alone being able to do the same at this point when the world is in crisis. Thanks to your individual efforts, **TCS is the one silver lining in this dark cloud**... I can't help but feel just how privileged and lucky I am, overseeing a partnership of **high performing** and **committed** individuals from TCS. Once again, thank you for all you do..."

Strategic Relationship Director,
Life Sciences Major

"The spirit of **creativity** and **innovations** was on full display all through during these high-pressure times with **no sleep or rest** for most of you. I'm super proud to have a team that is always up for challenges and excels during these testing times. I couldn't THANK YOU enough for the **personal sacrifices you made** during these last 5-6 days to make sure our business and customers were the priority..."

CIO,
Large US Bank

"I cannot say how proud I am of the TCS team who have **quickly reacted** to this crisis and kept everything moving. TCS as a company treated the health crisis seriously early, and you all ran with what your company gave you. Where we are now with **100% coverage** could not have happened without your **leadership**."

Large US Entertainment Company

"I want to particularly call out the **brilliant and heroic efforts** of the entire TCS team in moving to remote working. This happened in **record time** almost over a weekend, with the result that we are getting **close to 100% capacity**, which is quite **unprecedented**. That this was done alongside moving your large workforce in such a short time was commendable. Please convey my deepest appreciation to your teams for the **tremendous work** to support our business world-wide."

CTO,
Major Staffing firm

"TCS, through all of this, has also faced the Work from Home challenge like us. Moving call agents and support engineers from offices to home environments was not an easy challenge. You had to be **creative**, working under **unconventional circumstances**. The **resilience** and **flexibility** of the TCS organization is duly noticed!"

Corporate Group Director,
Professional Services Firm

"I am so amazed at your **flexibility, adaptability, creativity** and the **positive attitudes** you demonstrate each day. What a fantastic group of people (across the globe) you are, during times like this, the proverbial phrase, 'cream rises to the top' holds so true. Without **dedicated** and **driven** people, [Client Name] would simply not live up to its promise of securing the future for its customers. You certainly are the **creme of the crop**."

Operations Head,
Large Global Insurer

Innovation in the time of Pandemic

At TCS' Innovation Lab in Hyderabad, India, a team of TCS scientists used deep neural network-based generative and predictive models to identify 31 new molecules that hold promise towards finding a cure for COVID-19.

"We know that the SARS-CoV-2 has a protease protein that is responsible for viral replication. What followed next was to ask the model to generate novel small molecules de novo which have protease inhibiting capability and could bind the target protease protein with high affinity," said Dr Gopalakrishnan Bulusu, a principal scientist involved in the project. "We filtered the suggestions of the AI model to a set of 1,450 molecules, and further shortlisted 31 that we determined would be good to start with and that could possibly be synthesized for further testing." The results from this research – put together by Dr Bulusu, Dr Arijit Roy, Dr Navneet Bung and Ms. Sowmya Krishnan – have been published in ChemRxiv.

"The use of AI has considerably shortened the initial drug design process from several months to only a few days," Dr Bulusu added. The TCS team is now working closely with India's Council for Scientific and Industrial Research (CSIR) that has agreed to provide its labs for the synthesized testing of these 31 molecular compounds.

Uninterrupted Learning during the Lockdowns

In the wake of nation-wide lockdowns of schools and colleges, TCS offered free access to the TCS iON Digital Class Room, a virtual learning platform, to educational institutes across the country so their students' learning journeys could continue uninterrupted in a secure virtual environment.

The TCS iON Digital Class Room is a mobile and web education platform for schools and colleges, that empowers educators to engage with students in real time by sharing lessons, videos, worksheets, assignments and assessments, using interactive methods like polls, debates, quiz, surveys and many more tools. As an add-on, the platform also provides an embedded live classroom, which simulates live classroom teaching.

Q4

The Year Gone By

- Rolled out the Secure Borderless Workspaces model in response to the lockdowns, enabling over 90% of the workforce to securely work from home. The model leverages all prior investments, and incorporates best practices around network management, an internal SOC, a standard service delivery environment, digitized delivery governance processes, and use of cloud-based collaboration technologies.

- Israel's first fully digital bank has signed up as the first customer of TCS' Banking Service Bureau, powered by TCS BaNCS™. TCS was selected by Israel's Ministry of Finance to build a banking service bureau, a shared, plug-and-play, digital banking operations platform to help start-up banks launch very quickly.

- Ranked Overall Best Managed Technology Company in Asia, in FinanceAsia's 2020 Asia's Best Companies survey of investors across the region. Also ranked #1 position for Best Environmental Stewardship and Most Committed to Social Causes, #2 in Best Corporate Governance and Best Investor Relations, and #3 in Best Managed Company in India.

- Recognized as a Global Top Employer by the Top Employers Institute. Also certified as the #1 Top Employer in Europe, MEA and APAC, and in 11 countries – Argentina, Australia, Belgium, Chile, Denmark, Germany, Hong Kong, Saudi Arabia, United Arab Emirates, the United Kingdom, and the United States.

- Recognized as the fastest growing IT services brand of the decade and one of the fastest growing IT services brands of 2019, by Brand Finance.

- Celebrated 100 years of TCS House, the Company's head office in the historic Fort precinct in Mumbai. Originally known as Ralli House, this Grade IIA heritage structure was acquired by TCS in 2004 from Rallis, a Tata Group company, and painstakingly restored and remodeled, while retaining the original stone facade.

- Walgreens Boots Alliance, a global leader in retail and wholesale pharmacy, expanded its strategic partnership with TCS with a 10-year contract. In the new operating model for IT Run and Operational services, TCS will provide managed services using an approach that blends artificial intelligence, machine learning and advanced software engineering to enhance operational resilience and boost productivity.

Celebrated 100 years of TCS House, the corporate head office

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- Petco, America's leading pet specialty retailer, selected TCS Optumera™ to hyper-localize and optimize its store products and space strategies, with greater speed and precision in decision-making, and deliver an improved end-to-end customer experience.
- Declared a special dividend of ₹ 40 per share, amounting to over ₹ 15,000 crore paid out to shareholders over and above the regular dividends.
- Towards enhanced LGBTQ+ inclusion and building on the core value of 'Respect for the Individual', TCS became the first Tata group company to include gender reassignment surgery under its employee health cover, and redefine the word 'spouse' to include same-sex partners, regardless of marital status.
- Launched the Quartz™ DevKit to accelerate enterprise adoption of blockchain technology. The DevKit abstracts out the complexity of blockchain programming and provides enterprises with a low-code means to quickly and easily build blockchain-based applications on popular platforms.
- Consolidated all operations for Strate, the South African central securities depository, on to TCS BaNCS for Market Infrastructure. The implementation covers all markets and asset classes and marks a significant transformation in the South African securities market.
- Expanded strategic partnership with Phoenix Group to digitally transform Standard Life's pensions and savings operations by moving 4.2 million policies to the TCS BFSI Digital Platform.
- Recognized as the 'Most Awarded Company of the Decade in India', 'Overall Most Outstanding Company in India' and the 'Most Outstanding Company in India in the IT Services Sector' in Asiamoney's 2019 Asia's Outstanding Companies poll of investors and analysts across the region.

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- Launched TCS BaNCS Cloud for Asset Servicing, a platform that automates the servicing of all classes of assets across all markets, and is targeted at custodians, broker dealers, asset managers, and investment and private banks.
- ignio™, TCS' award-winning cognitive automation software, celebrated its fourth anniversary by doubling its revenue and customer base, year-on-year. FY 2020 saw Digitate's AI product line expand beyond the original ignio AIOps, to include ignio AI.WorkloadManagement, ignio AI.ERPOps for automating ERP support operations, ignio AI.Digital Workspace and ignio Cognitive Procurement.
- Established a strategic partnership with General Motors for global vehicle design and development including vehicle styling, EV battery, motor design and advanced virtual simulations to set new benchmarks in driving experience, safety and emissions.
- Chosen by the Reserve Bank of India as its strategic partner to design and implement an AI-based centralized information and management system that will collect, review and analyze data, enabling data-driven business decision-making for better regulation of financial markets and better tracking of the country's economic growth.
- Powered Jurassic Fibre's new ultrafast full fiber optic broadband offering to towns and rural communities in the South West of England, with TCS HOBS. TCS will also implement an ERP solution for its finance, supply chain, talent management and field service operations.
- Increased holding in TCS Japan Ltd, the Company's joint venture with Mitsubishi Corporation, from 51% to 66%, reiterating TCS' commitment to the Japanese market. This is the latest in a series of investments made by TCS in recent years to cater to the specific needs of Japanese corporations.

- Launched TCS Pace Port™ New York, a new co-innovation and advanced research center that unifies the best of TCS' global research, innovation, partner ecosystem and business transformation services – designed to help customers scale up their innovation efforts and accelerate their transformation journeys.

- Helped India Post transform to a multi-service digital hub, modernize mail delivery, enhance customer experience, and launch innovative services that drive new revenues. The new system connects over 150,000 post offices, and processes over 3 million postal transactions a day. Additionally, TCS implemented a POS solution across 80,000 POS terminals, making it one of the largest such implementations in the world.

- Powered the world's first successful cross-border real-time securities settlement between two central securities depositories – Marocclear (Morocco) and Kuwait Clearing Company – using cash coins on the TCS BaNCS Network, powered by Quartz™ Blockchain. This could revolutionize cross-border flows, reducing currency risks and enhancing liquidity.

- Canada's food and pharmacy leader, Loblaw, successfully deployed ignio, TCS' cognitive automation software, as part of its IT transformation program. ignio has helped reduce the mean time to resolve outages to 3 - 6 minutes, and automate over 70% of incidents and alerts in the first ten months. The reduced outages and faster resolution have resulted in a superior online shopping experience for end customers.

- Celebrated 15 years of partnership with Star Alliance, the global airline network, by embarking on new digital transformation initiatives. TCS' industry-first solutions have helped the Alliance drive digital innovation and provide a seamless experience to passengers.

Partnering with DAMEN to Reinforce its Reputation as a Maritime Innovation Pioneer

Damen, the Netherlands-headquartered international shipyard group, has built a reputation for listening closely to its customers and innovating across its range of ships, yachts and other vessels. In the Business 4.0 era, Damen wanted to take its product innovation to the next level.

As Damen's innovation partner on this journey, TCS used its 'Bringing Life to Things' IoT framework to envision an Integrated Connected Vessel Platform that uses IoT, cloud, edge computing and advanced analytics to make Damen's ships smarter and more connected, with improved safety, sustainability and efficiency, and with which Damen can launch newer services and even new business models. The platform collects 700 data points from the nearly 10,000 sensors in each ship, giving Damen complete visibility into each vessel's fuel levels, fresh water, oil; engine performance – speed, rpm, fuel consumption and so on.

The new platform has enabled the launch of value-added services such as fleet management and predictive maintenance, helping customers reduce fuel consumption by 12%, improve safety and enhance vessel utilization. It also enables co-innovation with maritime ecosystem partners like suppliers, insurers and port authorities, to curate a more holistic customer experience, and potentially offer shipping as a service.

Partnering with TCS for its growth and transformation has helped Damen accelerate its transformation from being a shipbuilder to a maritime solutions provider, create new revenue streams, boost profitability and reinforce its position as an innovation pioneer in the maritime industry.

"Damen is at the forefront of digital innovation in the maritime industry, using new technologies for remote monitoring and eventually to build autonomous vessels. We selected TCS as our strategic partner because of how well their innovation philosophy is aligned with ours, and for their experience in successfully executing large, complex programs elsewhere. Their digital expertise, creative ideas and intellectual property have helped us scale and speed up our business transformation journey."

Arnout Damen
CEO, Damen Shipyards

Helping M&G Innovate and Reimagine Customer Engagement

Today's customers have higher expectations of the experience and the service they get from their savings and investment provider. However, complex, legacy IT landscapes, and fragmented customer data can constrain the ability to innovate and meet those expectations.

Taking that challenge head on, M&G plc entered into a 10-year strategic partnership with TCS to transform its Heritage UK life and pensions business by building a simpler customer focused operating model, which is digitally enabled, allowing it to respond quicker and better to its customers' needs.

TCS' approach, working in partnership with M&G plc, entailed radically simplifying the IT landscape, reimagining customer engagement, redesigning operations for greater resilience and providing end-to-end policy administration services using the TCS BFSI Platform for Life and Pensions, powered by TCS BaNCS™. In just 15 months, TCS onboarded 1.4 million customers and their policies, delivered a new customer experience solution, CRM and complaint management solutions, and an online bond claim platform.

The unified customer data and analytics on the new platform have enabled a more holistic approach to enhancing the customer experience, focused on the end-to-end customer journey and not just individual transactions. The new digital bond claim service has reduced customers' wait time for cash withdrawal by almost 80%. Digitization has reduced claim processing time by 75%. All this has resulted in some early positive impacts on the Net Promoter Score as well.

[illegible]

John Foley
CEO, M&G plc

Innovative. Resilient. Adaptable: A Panel Discussion

Featuring

K Ananth Krishnan,
Chief Technology Officer

NG Subramaniam,
Chief Operating Officer

Krishnan Ramanujam,
Global Head – Business & Technology Services

WHAT IS THE CONNECTION BETWEEN INNOVATION, RESILIENCE AND ADAPTABILITY?

KAK: ? The pandemic has resulted in a renewed focus on individual, societal and organizational resilience and adaptability. An organization that is innovative is also resilient and adaptable. All three elements stem from a customer-centric and forward-looking worldview, and all three require empowered people, an enabling culture, and supporting structures, processes and technologies.

Empowered employees are key to innovation. Such individuals take ownership of their domains, and come up with new ideas to deliver better outcomes for customers, or improvise when faced with some unforeseen adverse event, to ensure continuity of service. When customers' needs or priorities change, innovative organizations adapt quickly by launching new business models or new services and products, and stay relevant in the changed market conditions. As you can see, all three are very closely connected in an enterprise and are critical to its longevity.

KR: In addition to an empowering culture, enterprises which invest in building a robust, responsive and extensible operations stack – consisting of the processes, systems and core infrastructure – will be better placed to not only respond to an economic shock, but also to recover faster and get back to their growth trajectory earlier.

Digital technologies – especially cloud, IoT, AI and Machine Learning – have opened tremendous opportunities to innovate and transform some or all the components of the enterprise's operations stack – the business processes, the supporting systems and underlying infrastructure. By applying our innovation energies in such core transformation opportunities, we are helping customers build a new future-proof digital core, that is agile, efficient, scalable, and resilient.

THAT MAKES SENSE. BUT HOW DOES THIS CONNECTION SHOW UP IN THE WORK YOU DO FOR CUSTOMERS?

NGS: If you think about it, TCS has had a track record of pioneering delivery model and business model innovations over the last two decades. These innovations have helped our customers enhance their resilience, scale up their technology adoption and reduce their total cost of ownership over the years.

First, it was the industrialized model of software development that adopted manufacturing principles, process controls and automation to deliver predictable and consistently high-quality outcomes at very competitive prices. Then we pioneered the *Global Network Delivery* model in the last decade, giving our customers access to our globally distributed delivery footprint and reducing their geographic risk.

More recently, our Location Independent Agile model helped customers gain speed to market and reduce project risk by applying Agile methods even in large transformation programs. Our latest innovation is the Secure Borderless Workspace which makes our delivery model location-agnostic at the level of the individual, while retaining the full rigor of our project oversight, quality and governance processes and security controls. This is the ultimate in distributed models, and infuses a tremendous amount of resilience and agility in the work we do for our customers.

KK: A big part of our incremental revenue over the last three years has come from growth and transformation engagements which are rooted in innovation. We have spoken about the work we have done around business model innovation, product innovation, or even innovation around customer experiences, all of which help boost the customer's topline. However, such market-facing innovation doesn't work if back-end processes are slow and error-prone, or if the core systems and underlying infrastructure are outdated and not scalable, or if the data is fragmented.

Digital technologies – especially cloud, IoT, AI and Machine Learning – have opened tremendous opportunities to innovate and transform some or all the components of the enterprise's operations stack – the business processes, the supporting systems and underlying infrastructure.

By applying our innovation energies in such core transformation opportunities, we are helping customers build a new future-proof digital core, that is agile, efficient, scalable, and resilient.

CAN YOU PROVIDE EXAMPLES OF INNOVATION LEADING TO IMPROVED RESILIENCE?

NGS: The work we are doing for life insurance companies in the UK is a great example. Large insurers face the problem of fragile operations and patchy customer service due to the complexity of multiple legacy systems which are difficult to maintain and are prone to breakdowns. We have built a highly successful and innovative business model in the UK wherein we administer the policies on the customer's behalf, using our multi-tenant, cloud-based platform which is our intellectual property. The operations are much faster and far more resilient on this robust, modern platform, and the customer experience is radically transformed. You can read more about this in the M&G story in this year's Annual Report.

Several large deals in FY 2020 were core transformation initiatives where we are using our Machine First Delivery Model to reimagine the customer's IT operating model using AI and Machine Learning very innovatively. At the core is our cognitive automation software, ignio, which can autonomously pre-empt or resolve system failures. This makes the technology stack self-healing, and gives the organization a resilient digital core. The benefits were especially visible in the retail vertical during the holiday season peak and again during the panic shopping in March, when our customers were able to handle spikes in volumes without their systems breaking down.

Another aspect of such operating model transformations is that they can free up resources for other market-facing innovations that provide competitive differentiation. For one customer in the US, we are carrying out an operating model transformation on the one hand, and concurrently, a business transformation on the other, the former effectively paying for the latter.

KK: Let me give you an example from the Life Sciences vertical. We have been providing pharmacovigilance services to an European pharma major for the last 12 years. Our team goes through unstructured documents describing adverse events associated with the company's various drugs, triages them and logs the data using standardized medical codes.

We asked ourselves, why can't machine intelligence be trained to do this? Our Life Sciences domain experts and our Analytics & Insights practice teamed up and built an innovative solution, TCS ADD Safety™, that uses our Decision Fabric™ AI Engine to completely automate the case intake and processing of adverse events. It uses AI and machine learning to convert natural language data into structured data. This is not only faster and more accurate, but can also easily handle volume spikes, lending greater resilience and scalability to their pharmacovigilance operation. The solution is our intellectual property and we are now offering it to other life sciences companies as well.

INTERESTING, BUT WON'T THIS CANNIBALIZE THE MANUAL PROCESSING WORK YOU WERE DOING?

KK: Yes, it will. But that is the nature of technological innovation. Newer technologies open up the possibility of accomplishing a certain task faster, better or cheaper. As a customer-centric organization, we will keep looking for newer, better ways to achieve a certain business outcome, and offering those innovations to our customers.

This alignment with the customer's business interests is what has helped us build long, enduring relationships founded on trust. That goodwill translates into incremental business that more than makes up for the deflation. In this case, we are replacing human effort with cutting edge IP which deepens the competitive moat as well.

And as it so happens, demand for our pharmacovigilance services was already growing robustly and will probably accelerate next year due to the increased activity around drug development. So displaced teams will get absorbed very quickly by our newer engagements.

GIVEN ITS IMPORTANCE, WHY DO CUSTOMERS ENGAGE TCS FOR THEIR INNOVATION INITIATIVES?

KAK: Well, innovation is not an exact science. Of the ten things you try out, one or two may succeed. To stay ahead in the innovation game, enterprises need to increase the 'yield' on the number of bets they make, thereby increasing the likelihood of landing 'winners'. By partnering with TCS, customers can leverage our investments in Research and Innovation, our large portfolio of intellectual property, our Pace Ports™, our Co-Innovation Network of start-ups and academic partners, our deep contextual knowledge of their business, and our Location Independent Agile model to scale up as well as speed up their innovation.

Customers in such diverse areas as retail, mining and energy have entered into innovation partnerships with us to set up dedicated agile innovation centers, where teams of TCS researchers and innovators work on finding technology solutions to their most critical business problems. The power of such partnerships gets amplified when it crosses industry boundaries and creates new opportunities.

Lastly, TCS' innovation initiatives in community-centric themes, in areas like education, health, elder care and energy management align well with similar agendas at our customers and the world at large.

INNOVATION SPEND TENDS TO BE SMALL RELATIVE TO RUN-THE-BUSINESS SPEND. WHY FOCUS SO MUCH ON IT?

NGS: Adaptability is going to be very important to our customers in the recovery phase, and innovation will be key to adapting to the new normal. All those elements that Ananth just described will be critical to our customers' ability to scale up their innovation and by extension, their adaptation. Also, it is not an either-or scenario. When we engage in innovation work for our customers, we are not vacating our traditional areas of strength which are rooted in their run-the-business spends. This is incremental business that expands our addressable market, and brings in higher quality revenues.

Second, those elements that Ananth listed, as well as our ability to stitch together different capabilities from across the organization into one seamless business-centric solution, are not easy to replicate. These capabilities are helping us differentiate ourselves from traditional outsourcers, and gain market share.

KR: To add to that, innovation initiatives tend to be fairly high profile in most organizations. By engaging in these initiatives, we are building strong relationships with a broader set of stakeholders in the enterprise—line of business heads, functional heads, CDOs, CEOs and the Board. These connects give us a competitive edge even in the more traditional opportunities.

Of course, such initiatives often translate into core transformation deals which are large in scale, scope and deal value, and with longer tenures. That improves our business visibility, and brings in higher quality revenues. It also embeds us deeper into the core of the customer's business, making us a strategic partner and sometimes the sole strategic partner, raising our brand visibility.

WHAT DO YOU SEE AS THE KEY SPENDING THEMES AND DRIVERS OF YOUR GROWTH IN A POST-PANDEMIC WORLD?

KAK: Innovation is a timeless business theme. It will not only continue to remain very relevant in the post-pandemic world, but might even see acceleration in some cases in the medium term. Even as we help customers improve their resilience in the immediate term, we are also having conversations on medium and longer term transformation plans.

NGS: There will be a short period of disruption in some sectors due to the complete stalling of all economic activity. But once things settle down, you will see spending on these themes return. Different sectors will recover at different rates, but technology will remain front and center of every organization's strategy to innovate, differentiate itself and grow.

KR: In the near term, enterprises are responding to the crisis by spending on workplace and collaboration tools, cyber-security and cloud adoption. We expect to see accelerated rollouts of digital channels including cognitive chatbots. Organizations are also rapidly reconfiguring their supply chains with a 'just in case' orientation, for greater diversification and localization.

In the next phase, customers will want to build greater resilience in their operations, and we expect greater interest in our Machine First approach, and ignio. You can also expect heightened M&A activity in the next few months, and given our excellence in process and IT integration, enabling time-bound divestments and taking on commitments around transition services, we expect to benefit from that as well.

In the medium and longer term, there are structural tailwinds acting in our favor. Technology is seen as a source of competitive differentiation in every industry today, and technology intensity – or spend on technology as a percentage of revenue – is rising. That expands the market opportunity for us. From our side, we have been steadily expanding our addressable market by continually launching new services, products and platforms, catering to the priorities of an expanding set of stakeholders in the enterprise. Between these two forces, we have immense confidence in our ability to sustain longer term growth and value creation for our stakeholders.

Partnering RBC in Reimagining its Research Portal for Superior Customer Experience

RBC Capital Markets, a top-10 global investment bank, has an extensive equity research capability covering around 1,700 corporations across the world. Its research desk has been consistently ranked #1 in Canada over the years.

To expand its reach and retain its leadership, RBC wanted to redesign its client-facing research portal to provide a better customer experience.

As RBC's strategic digital partner, TCS designed and developed a new microservices-based, cloud-ready research portal that provides a more engaging, intuitive and consistent user experience across a multitude of devices preferred by new-generation fund managers.

AI-based algorithms power the intuitive search capability and provide personalized, context-driven research recommendations. The new portal supports multimedia formats including podcasts and videos. It also provides RBC's award-winning analysts with a best-in-class platform to publish their research and interact with clients online.

In-depth readership analytics have enabled identification of cross-selling and up-selling opportunities. The superior user interface has helped improve customer satisfaction. Integration with third party research aggregator sites has significantly expanded its reach.

The new portal has significantly improved the overall client journey of content and led to an increase in readership and client visits.

"We have been maintaining our technological leadership by investing significantly in our digital and innovation strategies, enabling RBC to deliver superior experiences and even more insights that create value for our clients.

Partnering with TCS helped us innovate at scale, leveraging leading-edge technology to transform the user experience as well as the reach of RBC Insights, and unlock new opportunities. They brought a lot of domain knowledge, and were proactive in coming up with new ideas. By working Agile and deploying automation wherever possible, they significantly improved our speed to market. Their deep understanding of our business, passion for innovation and shared values have made them a key part of our digital transformation journey."

Fazleen Khan
Head – Strategic Initiatives – Research
RBC Capital Markets

Q&A WITH MILIND LAKKAD, CHRO AND V RAMAKRISHNAN, CFO

WITH SBWS AND WORKING FROM HOME, WHAT HAPPENS TO THE TRADITIONAL ONSITE-OFFSHORE MODEL?

ML: With our teams as well as our customers' teams working from home, in-person interactions are now replaced with virtual collaboration. SBWS makes physical location irrelevant. This virtualization blurs the traditional divide between onsite and offshore. Traveling to onsite locations, particularly for initial transitions and knowledge transfer, will reduce further.

At a societal level, this also means young people will eventually have the option of pursuing their careers in TCS without uprooting themselves from their home towns as long as they have good connectivity. Likewise, there will be greater opportunities for women to pursue fulfilling careers while managing familial responsibilities.

In the longer term, it is possible that project teams will be seen as part of a virtualized talent cloud and provisioned for in the same way that we provision for compute power or storage today.

INTERESTING. BUT FOR NOW, HOW IS EMPLOYEE MORALE AND PRODUCTIVITY?

ML: I feel the lockdowns, amidst the uncertainties and fears related to the pandemic, have actually brought us all a little closer. Daily team video calls, interaction over chats and email, and frequent updates from HR and senior management have helped mitigate any feeling of isolation.

[illegible]

Through the TCS Cares initiative, we are providing counseling services and running educational campaigns to help individuals cope with stress and anxiety. We are also creating self help networks of our associates with similar interests, so they get the social interaction that the physical workplace used to provide.

As for productivity, the time saved on the daily commute is translating into increased energy levels and better engagement. There are some areas where teams have shown higher through-put, but these are still very early days.

WILL TRAVEL RESTRICTIONS OVER THE NEXT FEW MONTHS AFFECT YOUR ABILITY TO CLOSE DEALS? WHAT ABOUT RAMP-UPS ON NEW DEALS?

VR: As for new deal closures, it is encouraging that we signed a large, multi-million dollar deal in end-March, entirely virtually, while both parties were under lockdown. Anyway, most of our incremental revenue comes from existing customers who know us well, and with whom we have ongoing conversations. Second, travel restrictions impact everyone and not just us. So our relative competitiveness is not affected. And lastly, the post-pandemic world will see more and more activities that previously involved in-person interactions go virtual, including the sales process. Years from now, we will probably look back and wonder at how much time salespersons used to spend on the road.

ML: Ramp-ups on some of the large deals we signed in the fourth quarter are progressing smoothly with knowledge transfer taking place virtually. In fact, in the example that Rajesh mentioned as well as in some other cases, the entire process of transition and moving to steady state operations are also taking place virtually. There is an added qualitative benefit of these virtual sessions. Now, the entire team can participate in these sessions, compared to the more exclusive "train the trainer" approach we used in the past. This reduces the transmission losses and makes the process more efficient.

HAVE VISA RESTRICTIONS IN THE US DISRUPTED YOUR BUSINESS?

ML: Our delivery model has evolved over the last few years. Our Location Independent Agile™ promotes systematic collaboration across distributed teams and reduces the need for co-location. This, coupled with greater use of managed-services contracting models have given us more flexibility around where our teams are based.

We have also accelerated our localization programs. In the US, we have hired over 20,000 employees in the last five years, making us one of the top job creators in IT services and consulting. Every year, we hire hundreds of fresh engineering graduates and train them on new technologies. In FY 2020, we hired over 2.5 times our usual fresher intake, and also made the training more account-contextual, accelerating their ability to play productive, client-facing roles. For very short-term assignments, we use sub-contractors.

All this has brought down our use of work visas to a small fraction of what it used to be five years ago, de-risking our business significantly. Looking into the future, as I mentioned earlier, the virtualization of many activities with SBWS will reduce the need for travel and co-location even further.

GIVEN THE LIKELY DEMAND COLLAPSE IN FY 2021, WHAT LEVERS DO YOU HAVE TO KEEP MARGINS STABLE?

VR: Cost management at TCS has been devolved to the individual business units, and from there to the account and project levels. At that granular level, there are multiple margin management avenues available to them, starting from selling higher value services and solutions, getting into managed services contracts, superior execution leveraging MFDM™, replacing subcontractors with employees and so on.

At a corporate level, we will scrutinize all expenses. We have frozen all new hiring, and we won't have our annual wage increase this year. There is some amount of relief from reduced spending on travel and facilities. Many big marketing events are likely to be canceled, bringing down the sponsorship expense. The Rupee depreciation, taking place after a fairly long gap, also provides some support.

AND YET, YOU PLAN TO HONOR ALL THE JOB OFFERS YOU HAVE MADE?

ML: Yes. We will honor all the accepted job offers that we have already made. We have also assured our employees that we are not planning retrenchments. This commitment that we have for our people is what motivates them to give their best for TCS.

IS THERE ANY CHANGE IN YOUR CAPITAL ALLOCATION POLICY DUE TO THE DOWNTURN? WHAT ABOUT M&A?

VR: We have sufficient cash on our balance sheet for the proverbial rainy day, so our capital allocation policy continues to be one of returning most of our free cash flow to shareholders. This year, once again, we have paid out nearly 109% of our free cash flow in the form of dividends.

We are always open to the idea of picking up the right asset at the right price. Economic downturns are probably the best time to do it, when there are fewer buyers. You might recall that our largest acquisition till date was executed in December 2008, at the peak of the Global Financial Crisis.

WHY IS THERE SUCH A BIG GAP BETWEEN TCS' ATTRITION RATE AND THAT OF PEERS? DO YOU CALCULATE IT DIFFERENTLY?

ML: (Laughs) No, we use a standard formula that has remained unchanged in years. It is calculated by dividing the total number of departures in the prior twelve months by the closing headcount.

Just to be clear, we have always had the best retention rate in the industry. Our purpose-driven culture, progressive HR policies, and philosophy of investing in people and empowering them have made us an industry benchmark in talent retention, and an employer of choice across the world.

Our commitment to organic talent development is best summarized in the words of our Chairman: *There are no legacy people, only legacy technologies.* We value employees for their domain and customer-specific contextual knowledge, and invest in layering new technology skills on top of that, helping them stay relevant. We link learning to their career in explicit and transparent ways. We also give internal talent the first right of refusal on leadership positions in the company.

We have a program called Contextual Masters which celebrates experienced employees who use their contextual knowledge to create value for our customers. This gives junior employees role models to emulate, and encourages them to plan long careers in TCS. In contrast, in some other organizations, experienced individuals are seen as expensive and targeted for layoffs, affecting the morale. I believe that is why the retention gap has widened in recent years.

Enabling Woolworths' Teams to Deliver Superior In-Store Customer Experiences

Woolworths, Australia's largest supermarket group, views building a Customer 1st brand, team and culture as its foremost strategic priority. In this regard, they launched a store transformation program that aimed to empower store team members with data and automate many routine back-office tasks, freeing up time for customer engagement to improve the customer experience.

TCS, as the strategic partner in this program, worked in close collaboration with Woolworths to help build a fully integrated, device-agnostic, centralized platform to enable this vision of a connected store and empowered store team members.

The platform allows store team members to orchestrate selected operations through mobile RF devices by digitizing their day to day routines. It provides intelligence in the form of a 360-degree view of the store inventory, real-time stock adjustments, efficient management of store deliveries and stock-takes, enhancing productivity end to end and ultimately providing a better customer experience.

Its intuitive user interface has allowed for quick, universal acceptance by the 50,000+ store users, with minimal training. Using targeted implementation automation tools, the solution was successfully deployed across 3000+ stores across 7 different brands, within just 6 months.

In the next phase of the store transformation journey, TCS is working with Woolworths and its partners to pilot innovations such as robotics and computer vision to monitor safety and inventory, temperature monitoring through IoT and a host of other technology led innovations.

Powering Vitality UK's Ambition to be an Insurance Brand that is Positively Different

Traditionally, selling health insurance does not offer too many opportunities for customer engagement. Post purchase, the interaction is usually limited to claims processing. And yet, one insurer has built an innovative, purpose-driven business model that is helping build deep relationships, support people in living healthier lives and become a beloved consumer brand.

Vitality, the wholly owned subsidiary of South African giant, Discovery, is a poster child of the immensely successful shared value business model. It engages with policyholders continually to incentivize preventive behavior that promote wellness, and in the process, reduces costs and builds positive relationships between the business and its customers.

VitalityHealth actively promotes the adoption of healthy lifestyles by its members, incentivizing them to undertake regular activity through a generous rewards program that is redeemable across a curated partner ecosystem.

TCS has been its innovation partner in this transformation journey, helping build the enabling technology layer for this wellness-oriented insurance ecosystem. TCS consolidated and simplified its technology stack, modernized its policy administration system and integrated it with the Vitality rewards platform. A customer portal makes individuals aware of their risk factors and ways to improve their health, track their reward points and redeem them. The analytics layer provides a unified customer view across customer relationship, client onboarding, and policy servicing.

Vitality's innovative model has resulted in deeper member engagement, driving revenue and profit. New business revenue grew 15%, and operating profit grew 22% in 2019. Best of all, it is also well on its way to realize its ambition to be an insurance brand that consumers will love. In five short years, Vitality is among the top 5 market leaders in the UK and enjoys a 50% promoted brand awareness.

"The Vitality Shared Value model is based on the concept of interventions that will inspire behavioral change among our members, benefiting the person, us as the insurer and also wider society. Technology is a critical strategic enabler in our model. Partnering with TCS significantly accelerated our transformation journey, helping us [illegible] while delivering a consistent, integrated experience to our members."

Kris Tokarzewski
CIO, Vitality UK

PM-JAY: Leveraging Technology to Provide Healthcare Coverage to India's Poorest

Crushing poverty can deprive the poor of access to quality healthcare. Ayushman Bharat was a bold and innovative scheme launched by the Government of India to achieve universal health coverage. Central to this is the Pradhan Mantri Jan Arogya Yojana (PM-JAY), the world's largest fully funded health insurance scheme covering 500 million of India's poorest.

With its track-record in successfully executing some of India's largest transformational programs, deep domain knowledge and experience in implementing similar schemes in three states, TCS was a natural partner to the National Health Authority (NHA) in implementing this visionary undertaking.

TCS designed a highly configurable, cloud-based solution architected for usability, scalability, high performance and security, supporting sophisticated analytics to detect fraud. The solution caters to all the ecosystem participants – the NHA, state bodies, hospitals, and TPAs, enabling multi-level online scrutiny of beneficiaries before pre-authorisation, transmission of electronic medical records, monitoring of treatment and outcomes, and claim verification, and ensures adherence to scheme SLAs.

TCS' successful implementation helped NHA achieve a glitch-free rollout of the scheme within six months. Since its launch, the solution has processed claims pertaining to 7.3 million hospital admissions, demonstrating how technology can transform social services, and make a world of difference to over 5 million beneficiaries till date.

Ranked #1 in
CUSTOMER SATISFACTION
Seventh consecutive
year

#1
Fastest Growing Brand
of the Decade

GLOBAL TOP EMPLOYER
Fifth consecutive year

RATED AS
LEADER IN
85 ANALYST
ASSESSMENTS

TCS Pace Port New York
Launched to Set the Pace of
Business 4.0 Innovation

Global Partnerships
with Leading Technology
Providers

Promoting Health and Fitness
through Global Marathon
Sponsorships

Notice

Notice is hereby given that the Twenty-Fifth Annual General Meeting of Tata Consultancy Services Limited will be held on Thursday, June 11, 2020 at 3:30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

1. To receive, consider and adopt:

   a. the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.

2. To confirm the payment of Interim Dividends (including a special dividend) on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2019-20.

3. To appoint a Director in place of Aarthi Subramanian (DIN 07121802) who retires by rotation and, being eligible, offers herself for re-appointment.

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through

remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to tcs.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

5. The Company has fixed Thursday, June 4, 2020 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2020, if approved at the AGM.

6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on Monday, June 15, 2020 as under:

   i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Thursday, June 4, 2020;

   ii. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Thursday, June 4, 2020.

7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, TSR DARASHAW Consultants Private Limited ("TCPL") for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website https://on.tcs.com/demat-faq.

8. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TCPL in case the shares are held by them in physical form.

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to TCPL in case the shares are held by them in physical form.

10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website https://on.tcs.com/form-sh-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to TCPL in case the shares are held in physical form.

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or TCPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before June 10, 2020 through email on investor.relations@tcs.com. The same will be replied by the Company suitably.

14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor

Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report and FAQ at investor page on Company's website https://on.tcs.com/IR-FAQ.

15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.tcs.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com.

16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

17. At the twenty-second AGM held on June 16, 2017 the Members approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the twenty-seventh AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the twenty-fifth AGM.

18. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ TCPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to csg-exemptforms@tsrdarashaw.com by 11:59 p.m. IST on June 4, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to csg-exemptforms@tsrdarashaw.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on June 4, 2020.

19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

20. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii. The remote e-voting period commences on Monday, June 8, 2020 (9:00 a.m. IST) and ends on Wednesday, June 10, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialised form, as on Thursday, June 4, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

iii. The Board of Directors has appointed P N Parikh (Membership No. FCS 327) and failing him Jigyasa Ved (Membership No. FCS 6488) of Parikh & Associates, Practising Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

vii. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
A) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
B) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
C) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the one time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

4. Now, you will have to click on "Login" button.

5. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the Company, which is 112925.

4. Now you are ready for e-voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [illegible] with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.

3. In case of any queries relating to e-voting, you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

In case of any grievances connected with facility for e-voting, please contact:
Ms. Pallavi Mhatre, Manager, NSDL,
4th Floor, 'A' Wing, Trade World,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.
Email: evoting@nsdl.co.in/pallavid@nsdl.co.in
Tel: 91 22 2499 4545/ 1800-222-990

Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company, TCPL at csg-KYC@tsrdarashaw.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details: a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

   Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360/ +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in/ 022-24994553/ +91 9326781467

4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at tcsagm.speaker@tcs.com from June 5, 2020 (9:00 a.m. IST) to June 7, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.tcs.com and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors

RAJENDRA MOHOLKAR
Company Secretary
Membership No. ACS 8644

Mumbai, May 15, 2020

Registered Office:
9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021
CIN: L22210MH1995PLC084781
Tel: 91 22 6778 9595
Email: investor.relations@tcs.com Website: www.tcs.com

Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	Aarthi Subramanian
Date of Birth	June 26, 1967
Date of Appointment	March 12, 2015
Qualifications	• B. Tech in Computer Science • Master's Degree in Engineering Management
Expertise in specific functional areas	Wide experience in Information Technology
Directorships held in other companies	• Tata Industries Limited • Tata Capital Limited • Tata AIA Life Insurance Company Limited • Tata Digital Limited • Tata Payments Limited
Memberships / Chairmanships of committees of other companies	Tata Capital Limited • Stakeholders' Relationship Committee (Chairperson) • Corporate Social Responsibility Committee • Information Technology Strategy Committee
Number of shares held in the Company	5,600

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the corporate governance report which is a part of this Annual Report.

Directors' Report

To the Members,

The Directors present the Annual Report of Tata Consultancy Services Limited (the Company or TCS) along with the audited financial statements for the financial year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Financial results

(₹ crore)

	Unconsolidated		Consolidated	
	Financial Year 2019-20 (FY 2020)	Financial Year 2018-19 (FY 2019)	Financial Year 2019-20 (FY 2020)	Financial Year 2018-19 (FY 2019)
Revenue	**131,306**	123,170	**156,949**	146,463
Other income	**8,082**	7,627	**4,592**	4,311
Total income	**139,388**	130,797	**161,541**	150,774
Expenses				
Operating expenditure	**93,953**	88,206	**114,840**	106,957
Depreciation and amortisation expense	**2,701**	1,716	**3,529**	2,056
Total expenses	**96,654**	89,922	**118,369**	109,013
Profit before finance costs and tax	**42,734**	40,875	**43,172**	41,761
Finance costs	**743**	170	**924**	198
Profit before tax (PBT)	**41,991**	40,705	**42,248**	41,563
Tax expense	**8,731**	10,640	**9,801**	10,001
Profit for the year	**33,260**	30,065	**32,447**	31,562
Attributable to:				
Shareholders of the Company	**33,260**	30,065	**32,340**	31,472
Non-controlling interests	**NA**	NA	**107**	90
Opening balance of retained earnings	**77,159**	74,500	**85,520**	79,255
Closing balance of retained earnings	**71,552**	77,159	**78,010**	85,520

2. COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally. From a highly centralized model consisting of work spaces set in large delivery campuses capable of accommodating thousands of employees, the switch to work from home for employees all over, extending all the elements of the Company's Open Agile Delivery model concept into a next-generation Secure Borderless Workspaces™ (SBWS) model was carried out seamlessly. As of March 31, 2020, work from home was enabled to close to 90 percent of the employees to work remotely and securely. This response has reinforced customer confidence in TCS and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions. The SBWS model ensures high quality and delivery certainty that the customers expect while addressing the issues around cyber security, people management practices and systems. Going forward, this location independent SBWS model could be a game changer due to its many advantages.

Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY 2020, the strong balance sheet position, best-in-class profitability and inherent resilience of the business model position the Company well to navigate the challenges ahead and gain market share.

3. Dividend

For FY 2020, based on the Company's performance, the Directors have declared interim dividends of ₹27 per equity share and a special dividend of ₹40 per equity share. The Directors have also recommended a final dividend of ₹6 per equity share, taking the total dividend to ₹73 per equity share.

The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹2,251 crore. The total dividend on equity shares including dividend tax for FY 2020 would aggregate ₹31,895 crore, resulting in a dividend payout of 95.4 percent of the unconsolidated profits of the Company.

For FY 2019, the Company paid a total dividend of ₹30 per equity share. Further, the Company bought back 76,190,476 equity shares at a price of ₹2,100 per equity share for an aggregate consideration of ₹16,000 crore and also allotted 1,914,287,591 equity shares as fully paid-up bonus shares in the ratio of 1:1. The total cash outflow for FY 2019 including dividend, dividend tax and buy-back consideration amounted to ₹29,340 crore.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is disclosed in the Corporate Governance Report and is uploaded on the Company's website https://on.tcs.com/Dividend

4. Transfer to reserves

The closing balance of the retained earnings of the Company for FY 2020, after all appropriation and adjustments was ₹71,532 crore.

5. Company's performance

On a consolidated basis, the revenue for FY 2020 was ₹156,949 crore, higher by 7.2 percent over the previous year's revenue of ₹146,463 crore. The profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2020 and FY 2019 was ₹32,447 crore and ₹31,562 crore respectively. The PAT attributable to shareholders for FY 2020 was ₹32,340 crore registering a growth of 2.8 percent over the PAT of ₹31,472 crore for FY 2019.

On an unconsolidated basis, the revenue for FY 2020 was ₹131,306 crore, higher by 6.6 percent over the previous year's revenue of ₹123,170 crore in FY 2019. The PAT attributable to shareholders for FY 2020 was ₹33,260 crore registering a growth of 10.6 percent over the PAT of ₹30,065 crore for FY 2019.

6. **Human resource development**

Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth.

A robust Talent Acquisition system enables the Company to balance unpredictable business demands with a predictable resource supply through organic and inorganic growth.

The Company had a net addition of 24,179 employees globally, taking its total employee count to 448,464. Fueled by inclusive hiring and heavy investment made to mentor and coach women at all levels, women currently account for 36.2 percent of the workforce, making the Company one of the largest employers of women in the world.

An evolved onboarding model helped the Company to effectively integrate associates acquired through a strong localization focus. The diverse workforce represents 144 nationalities across 46 countries.

The reimagined approach to learning and development has helped the Company train over 335,000 employees on digital technologies and over 417,000 employees on Agile methodologies.

The reimagined focus on competency building of fresh recruits prior to joining through unique digital Initial Learning Program approach has enabled faster release of freshers to projects. Post offer engagement activities have also witnessed increased focus.

Continual pursuit to connect with associates on a regular basis, communicate in an open and transparent manner, progressive HR policies and distinctive HR Business Partner model, guided by One TCS culture, are yielding desired results. This is evident from the high retention rates and improved engagement levels of the associates. Attrition in FY 2020 was 12.1 percent for IT Services. The Company's internal employee satisfaction survey PULSE showed the highest employee satisfaction and engagement scores in the last 12 years.

7. **Quality initiatives**

The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management. In FY 2020, the Company successfully completed the surveillance audits for industry specific quality certifications viz. AS 9100 (Aerospace Industry), ISO 13485 (Medical Devices) and TL 9000 (Telecom Industry). The Company has also successfully completed the annual ISO surveillance audit. The Company is now amongst the world's first organizations to be recommended for certification in ISO 22301:2019 standard. The Company also successfully completed SSAE 18 and ISAE 3402 - SOC 1 & SOC 2 annual assessment for Banking, Financial Services and Insurance, Cognitive Business Operations, Life Sciences and Retail units covering 69 locations. The Company has been appraised at Maturity Level 5 of the Capability Maturity Model Integration for Development (CMMI® V2.0 DEV).

The Company was recognized as a 'Benchmark Leader', a first of its kind achievement in the Tata Group as part of the Tata Business Excellence Model assessment. Three Industry Solutions Unit achieved the 'Industry Leader' status while one of the units crossed over to the 'Benchmark Leader' band.

TCS' integrated Quality Management System (iQMS™) continues to enable outstanding value and experience to its customers. iQMS™ is continually enhanced for emerging service offerings, new delivery methodologies, industry best practices and latest technologies. iQMS™ has been updated with handbooks and guidelines for Agile methodology.

The Company has committed to become Enterprise Agile by 2020. To achieve this vision, the Company has created 417,000 Agile ready workforce and 1000+ Telematic Agile Delivery Centres. TCS Location Independent Agile™ is a Company proprietary methodology consisting of processes, management structure and the technology that enables enterprises with agile transformations, without the location customers. The Company has also driven agility in TCS internal processes that enhance competitiveness. The Company has also been identified as a leader in Agile adoption, offerings and services by several industry analysts.

To reduce the delivery risks, the company has rolled out Guidelines for "Service Delivery under SBWS" and has been monitoring the 25,000 projects across the globe on a daily basis through the digitized dashboards. The customer centricity, rigor in operations and focus on delivery excellence have resulted in consistent improvements in customer satisfaction levels in the periodic surveys conducted by the Company. This is validated by top rankings in third party surveys as well.

8. Subsidiary companies

The Company has 57 subsidiaries as on March 31, 2020. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

- On June 26, 2019, pursuant to exercise of put option by Mitsubishi Corporation, Tata Consultancy Services Asia Pacific Pte. Ltd. acquired additional 15 percent stake in its joint venture with Mitsubishi Corporation in Tata Consultancy Services Japan, Ltd.
- TCS Financial Solutions Australia Holdings Pty Limited was deregistered with effect from January 29, 2020. Its holdings in TCS Financial Solutions Australia Pty Limited along with its other assets and liabilities were transferred to its holding company, TCS FNS Pty Limited which is a wholly owned subsidiary of the Company.
- On March 9, 2020, Tata Consultancy Services Netherlands BV, a direct subsidiary of the Company acquired TCS Business Services GmbH in [illegible], Germany to execute a certain special project.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company https://www.tcs.com/investor-relations

9. Directors' responsibility statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020.

10. Directors and key managerial personnel

O P Bhatt was re-appointed as an Independent Director at the Twenty-fourth Annual General Meeting (AGM) held on June 13, 2019 for a period of five years w.e.f. June 27, 2019 up to June 26, 2024.

During the year, Aman Mehta and Dr. Ron Sommer ceased to be the Directors with effect from June 26, 2019 upon completion of their term as Independent Directors. The Board places on record its appreciation for their invaluable contribution and guidance.

Aarthi Subramanian retires by rotation and being eligible, offers herself for re-appointment. A resolution seeking shareholders' approval for her re-appointment forms part of the Notice.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are: Rajesh Gopinathan, Chief Executive Officer and Managing Director, N Ganapathy Subramaniam, Chief Operating Officer and Executive Director, Ramakrishnan V, Chief Financial Officer and Rajendra Moholkar, Company Secretary. The term of Ramakrishnan V as the Chief Financial Officer was extended up to April 30, 2021.

11. Number of meetings of the Board

Seven meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

12. Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

13. **Policy on directors' appointment and remuneration and other details**

The Company's policy on appointment of directors is available on https://on.tcs.com/ApptDirectors

The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on https://on.tcs.com/remuneration-policy

14. **Internal financial control systems and their adequacy**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

15. **Audit committee**

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

16. **Auditors**

At the twenty-second AGM held on June 15, 2017 the Members approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the twenty-seventh AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

17. **Auditor's report and Secretarial audit report**

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report.

18. **Risk management**

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

19. **Vigil Mechanism**

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behavior. The details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report and is also available on https://on.tcs.com/WhistleBP

20. **Particulars of loans, guarantees and investments**

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, have been disclosed in the financial statements.

21. Transactions with related parties

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure I** in Form No. AOC-2 and the same forms part of this report.

22. Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure II** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on https://on.tcs.com/Global-CSR-Policy

23. Extract of annual return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020 is given in **Annexure III** in the prescribed Form No. MGT-9, which is a part of this report. The same is available on https://on.tcs.com/AnnualReturn19-20

24. Particulars of employees

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year.

Name	Ratio to median remuneration	% increase in remuneration in the financial year
Non-executive directors		
N Chandrasekaran@	-	-
Aman Mehta*	-	-
Dr Ron Sommer*	-	-
O P Bhatt**	32.09	(6.98)^
Aarthi Subramanian@@	-	-
Dr Pradeep Kumar Khosla	22.46	(0.67)^
Hanne Sorensen	22.46	-
Keki Mistry	22.46	-
Don Callahan	22.46	-
Executive directors		
Rajesh Gopinathan	214.65	(16.53)^
N Ganapathy Subramaniam	162.51	(12.07)^
Chief Financial Officer		
Ramakrishnan V	-	(3.54)^
Company Secretary		
Rajendra Moholkar	-	(0.12)^

@ As a policy, N Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated.

@@In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata company and hence not stated.

* Ceased to be Directors w.e.f. June 26, 2019 upon completion of their term as Independent Directors.

** Re-appointed as a Independent Director for a second term w.e.f. June 27, 2019.

^ Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence, not stated.

^^ Remuneration in FY 2020 is not comparable with remuneration received in FY 2019 and hence, not stated.

The remuneration for FY 2020 is lower than FY 2019 in view of the economic conditions impacted by the COVID-19 pandemic. The Directors have decided to moderate the remuneration for this year to express solidarity and conserve resources.

b. The percentage increase in the median remuneration of employees in the financial year: 2 percent

c. The number of permanent employees on the rolls of Company: 448,464

d. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was 6 percent in India. However, during the course of the year, the total increase is approximately 7.7 percent, after accounting for promotions and other event based compensation revisions. Employees outside India received a wage increase varying from 2 percent to 6 percent. The increase in remuneration is in line with the market trends in the respective countries.

The managerial remuneration for the year decreased by 15 percent. The executive remuneration for FY 2020 is lower than FY 2019 in view of the economic conditions impacted by the COVID-19 pandemic. The Directors have decided to moderate the executive remuneration for this year to express solidarity and conserve resources.

e. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

f. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and Any Member interested in obtaining a copy of the same may write to the Company Secretary.

25. Integrated Report

The Company being one of the top companies in the country in terms of market capitalization, has voluntarily provided Integrated Report, which encompasses both financial and non-financial information to enable the Members to take well informed decisions and have a better understanding of the Company's long term perspective.

The Report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

26. Disclosure requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis including the Business Responsibility Report are attached, which forms part of this report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

27. Deposits from public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

28. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Conservation of energy

The eco-efficiency journey at TCS revolves around infrastructure and operations. TCS strategy to build green and operate optimally has led to year-on-year reduction in specific energy footprint by 11.9 percent and specific carbon footprint by 11.0 percent, on per FTE basis.

In FY20, the Company added 2 MWp of rooftop solar across TCS campuses taking the total to 7.6 MWp. Total renewable energy units generated from rooftop solar projects and sourced through power purchase agreements is cumulatively 59.0 million units in FY19-20 which is 10.9 percent of the total electricity consumption.

The shift to low carbon operations by switching over to energy efficient Light Emitting Diode (LED) technology has resulted in saving of 11 million units of electricity across TCS India operations.

The continued focus on Green IT and data center power management, has helped to reduce the Power Utilization Efficiency (PUE) of the 23 data centers to 1.60 from 1.67 in the last year. 22 of the 23 Data Centers have achieved the target PUE of 1.65. Data center / server room consolidation, higher rack utilization, UPS rationalization have been the key levers. The Company has also reduced the distributed IT power use by reducing the watts per seat from 200 to 85 over the last 3 years.

Technology absorption, adaption and innovation

Research & Development (R&D): Specific areas in which R&D was carried out by the Company

TCS Research and Innovation is strongly aligned with the Company's vision of Growth and Transformation underpinned by Enterprise-wide Agile and the AI-powered Machine First Delivery Model™.

TCS continues to expand its foundational research in core computing areas and the intersections with other sciences. New areas such as media and advertising, meta materials, quantum computing and sensing have been added. TCS Research engages with its ecosystem in many areas including AI and 5G. TCS Researchers presented 200+ papers in premier conferences and produced books and book chapters through the year. The Company released its second book of essays exhibit 'Reimagining Research' showcasing several of its key research projects.

Research and Innovation teams worked with customers on several new ideas aligned with their business. Examples include: value addition through AI for a retailer's supply chain; robots to spot blast holes for a mining company; forklift damage detection using augmented reality for a forklift rental business; collusion and spoofing prevention methods for clearinghouses; foreign particle detection in steel manufacturing; customer lifecycle value optimization with a digital twin for a communication service provider; multiscale modelling of digital skin for a pharma company.

The contribution to TCS' 3P vision of patents, products and platforms continues. Ignio™, a cognitive automation solution, was significantly enhanced this year. TCS MasterCraft™ products have 110+ active customers. New features added this year include TransformPlus for application translation and cloud migration, and DataPlus for personal data protection in India. Jile™ 4.0, a new version of the flexible, agile planning and delivery offering was launched. A healthy pipeline of assets moved through the New Products and Services Development governance framework.

TCS Pace Port™ delivers speedy, collaborative innovation to customers by providing access to COIN accelerators and academic research, in agile workspaces with innovation showcases. TCS Pace Port™ New York, located in the Tata Innovation Center at Cornell Tech campus, was launched. It focuses on retail, travel, transportation, hospitality and life sciences industries. TCS Pace Port Tokyo completed a year in November 2019 and continues to grow in terms of customer visits and downstream innovation-led engagements.

The Company leveraged both the academic research ecosystem and the emerging technology ecosystem for collaborative research as part of its Co-Innovation (TCS COIN™) Program. It has 50+ projects in emerging technologies with global academic institutes. The emerging tech COIN program is embedding itself in customer projects.

The Company continued to foster the culture of innovation, with one crowdsourced innovation event a week. The TCS Innovista competition attracted 6,500+ entries across business units.

TCS R&I remained closely connected to customers through events in different geographies. The TCS Innovation Forum was held in Tokyo, New York City, Sao Paulo and London attracted 700+ customers, partners and technology experts. Innovation Days for a number of customers were held through the year.

TCS won several awards related to intellectual property creation. TCS Advanced Drug Development (ADD), TCS Optumera and the SMU-TCS iCity Lab's SHINESeniors project have won prestigious awards.

As of March 31, 2020, the Company has applied for 5,295 patents cumulatively. The Company has been granted 1,541 patents.

Future Plan of Action

TCS Research and Innovation will enable scaling of the Patents, Products and Platforms strategy across the organization and align with the Company's focus on growth and transformation. Engagement with all business units, with its Co-Innovation Network, and with society at large will continue.

Expenditure on R&D

TCS innovation labs are located in India and other parts of the world. These R&D centres, as certified by Department of Scientific & Industrial Research (DSIR) function from Pune, Chennai, Bengaluru, Delhi- NCR, Hyderabad, Kolkata and Mumbai.

Expenditure incurred in the R&D centres and innovation centres of TCS during FY 2020 and FY 2019 are given below:

(₹ crore)

Expenditure on R&D and innovation		Unconsolidated		Consolidated	
		FY 2020	FY 2019	FY 2020	FY 2019
a.	Capital	**2**	2	**2**	2
b.	Recurring	**300**	303	**304**	306
c.	**Total R&D expenditure (a+b)**	**302**	305	**306**	308
d.	Innovation center expenditure	**1,458**	1,285	**1,561**	1,352
e.	**Total R&D and innovation expenditure (c+d)**	**1,760**	1,590	**1,867**	1,660
f.	R&D and innovation expenditure as a percentage of total turnover	**1.3%**	1.5%	**1.2%**	1.1%

Foreign exchange earnings and outgo

Export revenue constituted 93.4 percent of the total unconsolidated revenue in FY 2020 (93.3 percent in FY 2019).

(₹ crore)

	Foreign exchange earnings and outgo	FY 2020	FY 2019
a.	Foreign exchange earnings	**128,501**	115,499
b.	CIF Value of imports	**569**	447
c.	Expenditure in foreign currency	**51,748**	49,356

29. Acknowledgments

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the TCS family.

On behalf of the Board of Directors

N Chandrasekaran
Chairman

Mumbai, April 16, 2020

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Tata Consultancy Services Limited (the Company) has not entered into any contract/arrangement/ transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2020. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

   (a) Name(s) of the related party and nature of relationship: Not Applicable

   (b) Nature of contracts/arrangements/transactions: Not Applicable

   (c) Duration of the contracts/arrangements/ transactions: Not Applicable

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

   (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable

   (f) Date(s) of approval by the Board: Not Applicable

   (g) Amount paid as advances, if any: Not Applicable

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   (a) Name(s) of the related party and nature of relationship: Not Applicable

   (b) Nature of contracts/arrangements/transactions: Not Applicable

   (c) Duration of the contracts/arrangements/ transactions: Not Applicable

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

   (e) Date(s) of approval by the Board, if any: Not Applicable

   (f) Amount paid as advances, if any: None

Note: All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of 10 percent of consolidated turnover and considering wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Act.

On behalf of the Board of Directors

N Chandrasekaran
Chairman

Mumbai, April 16, 2020

Annual Report on CSR Activities[1]

A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The guiding principle of TCS' CSR programs is "Impact through Empowerment". Empowerment is really in enabling people to lead a better life. The Company's focus areas are Education and Skill Development, Health and Wellness and Environmental Sustainability. In addition, the Company has been supporting the restoration of heritage sites as well as participating in relief operations during natural disasters.

The Company's participation focuses on operations where it can contribute meaningfully either through employee volunteering or by using core competency which develops solutions. In addition, for key engagements, it also partners with other Tata entities, NGOs, Government and communities.

The communities that the Company chooses are economically backward and consist of marginalized groups (like women, children and aged) and differently abled. In addition, the Affirmative Action programs of the Company in India are directed towards SC/ST communities as defined by the Government of India.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below:

https://on.tcs.com/Global-CSR-Policy

https://www.tcs.com/community-initiatives-and-impact

1. **The composition of the CSR committee:** The company has a CSR committee of directors comprising N Chandrasekaran, Chairman of the Committee, O P Bhatt and N Ganapathy Subramaniam.
2. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** ₹30,013 crore
3. **Prescribed CSR Expenditure (two per cent of the amount as in item 2 above):** ₹600 crore
4. **Details of CSR spent during the financial year :**
   a. **Total amount to be spent for the financial year:** ₹600 crore
   b. **Amount unspent:** Nil
   c. **Manner in which the amount spent during the financial year:** Annexed
5. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

   Not Applicable
6. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

   We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

Rajesh Gopinathan	**N Chandrasekaran**
Chief Executive Officer and Managing Director	Chairman, Corporate Social Responsibility Committee

Mumbai, April 16, 2020

[1] 2013

4(c) Manner in which amount spent during the financial year is detailed below:

(₹ crore)

Sr. No.	CSR Project or Activity Identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or program Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure up to the reporting period	Amount Spent : Direct or through implementing agency
1.	Training and educating children, women, elderly, differently abled, scholarships, special education and increasing employability	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; measures for reducing inequalities faced by socially and economically backward groups	Pan India	423	114	397	Through implementing agency
2.	Disaster Relief, technical support for Hospitals including Cancer Institutes, promoting hygienic sanitation.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	Pan India	549	176	702	Through implementing agency

(₹ crore)

Sr No	CSR Project or Activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or program Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure up to the reporting period	Amount Spent : Direct or through implementing agency
3.	Water conservation through desilting, repair and maintenance of lakes; watershed restoration for sustainability and flood protection	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga	Pan India	18	6	17	Direct
4.	Contribution to Foundation/Trusts	Various sectors covered by Schedule VII of the Companies Act, 2013	Pan India	1,886	303	1,885	Through implementing agency
	Sub-total			**2,176**	**599**	**2,075**	
	Overheads for various CSR initiatives				3		
	Total CSR Spend				**602**		

Note: With respect to the projects identified by the Company as a part of its CSR activities, the Company had an outlay of ₹2,186 crore against which a cumulative expenditure of ₹2,082 crore has been incurred up to March 31, 2020.

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN: L22210MH1995PLC084781

ii. Registration Date: January 19, 1995

iii. Name of the Company: Tata Consultancy Services Limited

iv. Category / Sub-Category of the Company: Company Limited by shares / Indian Non-Government Company

v. Address of the Registered office and contact details:
9th Floor, Nirmal Building,
Nariman Point,
Mumbai 400 021
Tel: 91 22 6778 9595
Email: investor.relations@tcs.com
Website: www.tcs.com

vi. Whether listed company: Yes

vii. Name, Address and Contact details of Registrar and Transfer Agent, if any:
TSR Darashaw Consultants Private Limited
6, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi,
Mumbai 400 011
Tel: 91 22 6656 8484
Fax: 91 22 6656 8494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Computer Programming, Consultancy and Related Activities	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES[1]

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Tata Sons Private Limited Bombay House, 24, Homi Mody Street, Mumbai, Maharashtra 400001, India	U99999MH1917PTC000478	Holding	72	2(46)
2.	APTOnline Limited STP Block 6(A)-2A, Synergy Park (Non-SEZ) Campus, Opp. DLF Cybercity, Gachibowli, Hyderabad 500032, India	U75140TG2000PLC035477	Subsidiary	89	2(87)
3.	C-Edge Technologies Limited Ram Centre, Banyan Park, Suren Road, Andheri East, Mumbai, Maharashtra 400093, India	U72900MH2006PLC159038	-do-	51	2(87)
4.	MP Online Limited No. 4th Floor, 08/14 & 17 DB City Corporate Block, DB Mall Arera Hill, Bhopal 462011, Madhya Pradesh, India	U72400MP2006PLC018777	-do-	89	2(87)
5.	TCS e-Serve International Limited 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021, Maharashtra, India	U72300MH2007PLC240002	-do-	100	2(87)
6.	MahaOnline Limited Directorate of Information Technology, Mantralaya Annex, 7th Floor, Mumbai 400032, Maharashtra, India	U72900MH2010PLC210026	-do-	74	2(87)
7.	TCS Foundation 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021, Maharashtra, India	U74999MH2015NPL262970	-do-	100	2(87)
8.	Tata Consultancy Services (Africa) (PTY) Ltd. 39 Ferguson Road, Illovo, Johannesburg 2196, South Africa	Not applicable	-do-	100	2(87)
9.	Tata Consultancy Services (South Africa) (PTY) Ltd. 39 Ferguson Road, Illovo, Johannesburg 2196, South Africa	-na-	-do-	100	2(87)
10.	Tata Consultancy Services Qatar S. S. C. Al Bidda Tower, Corniche Street, 7th Floor, Building no. 56, Zone no. 60, Street no. 850, P.O. Box No. 201210, Doha, State of Qatar	-na-	-do-	100	2(87)
11.	Tata Consultancy Services Saudi Arabia Akaria, Centre II, 7th Floor, Office No 711, Riyadh – 11433, Kingdom of Saudi Arabia	-na-	-do-	76	2(87)

[1] 102-45

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
12.	Tata Consultancy Services Asia Pacific Pte Ltd. 60, Anson Road, # 18-01 Mapletree Anson, Singapore 079914	-do-	-do-	100	2(87)
13.	Tata Consultancy Services Malaysia Sdn Bhd 17th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya Selangor, Malaysia	-do-	-do-	100	2(87)
14.	Tata Consultancy Services (China) Co., Ltd. 1st Floor, Tower D, 6th Block Zhongguancun Software Park, Building No. 9, No. 8 Dongbeiwang West Road, Haidian District, Beijing People's Republic of China	-do-	-do-	93.2	2(87)
15.	PT Tata Consultancy Services Indonesia Gedung Menara Prima Lt.6 Unit F, Jl. Dr. Ide Anak Agung Gde Agung Blok 6.2, Kawasan Mega Kuningan Kel. Kuningan Timur, Kec. Setiabudi Jakarta Selatan 12950, Indonesia	-do-	-do-	100	2(87)
16.	Tata Consultancy Services (Thailand) Limited 32/46, Sino-Thai Tower, 18th Floor, Sukhumvit 21 Road (Asoke), Klongtoey-Nua Sub-District, Wattana District, Bangkok, Thailand	-do-	-do-	100	2(87)
17.	Tata Consultancy Services (Philippines) Inc. 10th Floor, Panorama Tower, 34th Street Corner Lane A, Bonifacio Global City, Taguig City, Philippines 1634	-do-	-do-	100	2(87)
18.	Tata Consultancy Services Japan, Ltd. 4-1 Shibakoen, Minato Ku, Tokyo, Japan	-do-	-do-	66	2(87)
19.	Tata Consultancy Services Canada Inc. 400 University Avenue, 25th Floor, Toronto, Ontario M5G 1S5, Canada	-do-	-do-	100	2(87)
20.	Tata Consultancy Services De Espana S.A. C/ Santa Leonor 65, Edificio F 2ª Planta 28037, Madrid, Spain	-do-	-do-	100	2(87)
21.	Tata Consultancy Services Deutschland GmbH Messeturm, D-60308 Frankfurt a.M., Germany	-do-	-do-	100	2(87)
22.	Tata Consultancy Services Netherlands BV Symphony Towers, 20th Floor, Gustav Mahlerplein 05-91, 1082 MS Amsterdam, The Netherlands	-do-	-do-	100	2(87)

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
23	Tata Consultancy Services Sverige AB Mäster Samuelsgatan, 42 SE 111 57, Sweden	-do-	-do-	100	2(87)
24	Tata Consultancy Services Belgium Leonardo Da Vincilaan 19, 1932 Sint-Stevens-Woluwe, Belgium	-do-	-do-	100	2(87)
25	TCS Italia s.r.l. Centro Leoni 1, Milano 20122 Italy	-do-	-do-	100	2(87)
26	Diligenta Limited Lynch Wood, Peterborough, Cambridgeshire, PE2 6FY, United Kingdom	-do-	-do-	100	2(87)
27	Tata Consultancy Services (Portugal) Unipessoal, Limitada Av. José Gomes Ferreira, 15 7 D, 1495-139 Algés, Portugal	-do-	-do-	100	2(87)
28	Tata Consultancy Services Luxembourg S.A. Rue Pafebruch, 89D, L - 8308 Capellen, Luxembourg	-do-	-do-	100	2(87)
29	Tata Consultancy Services Switzerland Ltd Thurgauerstrasse 36/38, 8050 Zurich, Switzerland	-do-	-do-	100	2(87)
30	Tata Consultancy Services Österreich GmbH Orbi Tower, Thomas-Klestil-Platz 13, 1030 Wien, Austria	-do-	-do-	100	2(87)
31	Tata Consultancy Services Danmark ApS C/o CityCallCenter ApS, Hammerensgade 1, 2, 1267 København K, Denmark	-do-	-do-	100	2(87)
32	Tata Consultancy Services France SA Tour Franklin La Defense 8, 100/101 Terrasse Boieldieu, 92042, La Défense Cedex, Paris, France	-do-	-do-	100	2(87)
33	TCS Business Services GmbH Elisabethstr 11, 40217, Düsseldorf, Germany	-do-	-do-	100	2(87)
34	TCS FNS Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	-do-	-do-	100	2(87)

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
35.	TCS Financial Solutions Australia Pty Limited Level 6, 76 Berry Street, North Sydney NSW 2060 Australia	-do-	-do-	100	2(87)
36.	TCS Financial Solutions Beijing Co., Ltd. Unit 2608, No.23, Qinghe Anningzhuang East Road No.18, Haidian District, Beijing, People's Republic China [illegible]	-do-	-do-	100	2(87)
37.	TCS Iberoamerica SA Monte Caseros 2600, 1829, Montevideo, Uruguay (Postal Code 11600)	-do-	-do-	100	2(87)
38.	TCS Solution Center S.A. Ruta 8, km 17500, Zonamerica, Ed 006, Montevideo, Uruguay	-do-	-do-	100	2(87)
39.	Tata Consultancy Services Argentina S.A. [illegible] 3046, Capital Federal, Ciudad Autonoma de Buenos Aires, Argentina (CP C1437JCJ)	-do-	-do-	100	2(87)
40.	Tata Consultancy Services De Mexico S.A., De C.V. Av. Insurgentes Sur 664, 2nd Floor, Colonia Del Valle, Ciudad de Mexico, Alcaldia [illegible], CP Mexico (Postal Code [illegible])	-do-	-do-	100	2(87)
41.	TCS Inversiones Chile Limitada Cirilo 16, Piso 3 & 5, Santiago, Chile (Postal Code 8330088)	-do-	-do-	100	2(87)
42.	Tata Consultancy Services Do Brasil Ltda Alameda Madeira, 178 - 11º andar, Alphaville (edificio) - Barueri - SP Zip code 06453-000	-do-	-do-	100	2(87)
43.	Tata Consultancy Services Chile S.A. Cirilo 19, Piso 3 & 5, Santiago, Chile (Postal Code 8330088)	-do-	-do-	100	2(87)
44.	TATASOLUTION CENTER S.A. Francisco Salazar E10-61 and Camilo Destruge, Building INLUXOR 2nd Floor, Quito, Ecuador	-do-	-do-	100	2(87)
45.	TCS Uruguay S.A. Monte Caseros 2500, Montevideo, Uruguay (Postal Code 11600)	-do-	-do-	100	2(87)

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
46.	Technology Outsourcing S.A.C. Las Begonias 475, Sexto Piso, San Isidro, Lima 27- Peru	-do-	-do-	100	2(87)
47.	MGDC S.C. Avenida Tizoc No. 87, Colonia Ciudad del Sol, Zapopan Jalisco, Guadalajara, Mexico (Postal Code 45050)	-do-	-do-	100	2(87)
48.	Tata America International Corporation 101, Park Avenue, 26th Floor, New York 10178, U.S.A.	-do-	-do-	100	2(87)
49.	CMC Americas, Inc. 379 Thornall Street, Edison 08837, New Jersey, U.S.A.	-do-	-do-	100	2(87)
50.	TCS e-Serve America, Inc. 379 Thornall Street, Edison 08837, New Jersey, U.S.A.	-do-	-do-	100	2(87)
51.	W12 Studios Limited 75 Bayham Street, London, England, NW1 0AA	-do-	-do-	100	2(87)

IV. **SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Shareholding

Sr. No	Category of shareholders	No. of shares held at the beginning of the year April 1, 2019				No. of shares held at the end of the year March 31, 2020				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	Promoters and Promoter Group									
(1)	Indian									
(a)	Individuals / HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	2,703,542,000	-	2,703,542,000	72.0	2,703,542,000	-	2,703,542,000	72.0	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Other- Trust	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)		2,703,542,000	-	2,703,542,000	72.0	2,703,542,000	-	2,703,542,000	72.0	-
(2)	Foreign									
(a)	Individuals (Non- Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)		2,703,542,000	-	2,703,542,000	72.0	2,703,542,000	-	2,703,542,000	72.0	-

Sr. No.	Category of shareholders	No. of shares held at the beginning of the year April 1, 2019				No. of shares held at the end of the year March 31, 2020				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	93,354,218	3,450	93,357,668	2.5	95,095,453	3,350	95,098,803	2.6	0.1
(b)	Financial Institutions / Banks	707,232	5,110	712,342	-	1,844,729	5,110	1,849,839	0.1	0.1
(c)	Central Government / State Governments(s)	2,037,771	-	2,037,771	0.1	2,420,388	-	2,420,388	0.1	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	196,172,807	-	196,172,807	5.2	200,941,420	-	200,941,420	5.3	0.1
(f)	Foreign Institutional Investors	4,732,576	-	4,732,576	0.1	979,740	-	979,740	-	(0.1)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Foreign Portfolio Investors (Corporate)	588,110,025	-	588,110,025	15.7	589,641,314	-	589,641,314	15.7	-
(j)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)		885,114,629.0	8,560	885,123,189.0	23.6	891,523,044	8,460	891,531,504	23.8	0.2
(2)	Non-Institutions									
(a)	Bodies Corporate	12,451,882	34,647	12,486,529	0.3	12,428,282	34,322	12,462,604	0.3	-
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹1 lakh	114,051,696	1,414,588	115,466,284	3.1	111,069,357	1,227,023	112,296,380	3.0	(0.1)

Sr No.	Category of shareholders	No. of shares held at the beginning of the year April 1, 2019				No. of shares held at the end of the year March 31, 2020				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	20,132,741	-	20,132,741	0.5	12,091,576	-	12,091,576	0.3	(0.2)
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other									
i	Trusts	9,679,420	-	9,679,420	0.3	11,230,590	-	11,230,590	0.3	-
ii	Foreign Companies	56	-	56	-	56	-	56	-	-
iii	Clearing Members / Clearing House	3,842,202	-	3,842,202	0.1	7,107,736	-	7,107,736	0.2	0.1
iv	Alternative Investment Fund	1,663,495	-	1,663,495	0.1	1,620,360	-	1,620,360	0.1	-
v	IEPF Suspense A/c	248,790	-	248,790	-	301,900	-	301,900	-	-
Sub-total (B) (2)		162,270,282	1,449,235	163,719,517	4.4	156,049,657	1,261,545	157,311,202	4.2	(0.2)
Total Public Shareholding (B) = (B)(1)+(B)(2)		1,047,384,911	1,457,795	1,048,842,706	28.0	1,047,572,901	1,269,805	1,048,842,706	28.0	-
TOTAL (A)+(B)		3,750,926,911	1,457,795	3,752,384,706	100.0	3,751,114,901	1,269,805	3,752,384,706	100.0	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		3,750,926,911	1,457,795	3,752,384,706	100.0	3,751,114,901	1,269,805	3,752,384,706	100.0	-

ii) Shareholding of Promoters (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2019			Shareholding at the end of the year March 31, 2020			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of shares pledged/ encumbered to total shares	
1.	Tata Sons Private Limited (Promoter)	2,702,450,947	72.0	2.1	2,702,450,947	72.0	2.1	-
2.	Tata Industries Limited*	7,220	-	-	7,220	-	-	-
3.	Tata Investment Corporation Limited*	1,036,269	-	-	1,036,269	-	-	-
4.	Tata Steel Limited*	46,798	-	-	46,798	-	-	-
5.	The Tata Power Company Limited*	766	-	-	766	-	-	-
Total		2,703,542,000	72.0	2.1	2,703,542,000	72.0	2.1	-

*Forms part of the Promoter Group

iii) Change in Promoters' (including Promoter Group) Shareholding (please specify, if there is no change)

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year April 1, 2019		Date	Reason	Increase/Decrease in Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Tata Sons Private Limited (Promoter)	2,702,450,947	72.0	-	-	-		2,702,450,947	72.0
2.	Tata Industries Limited*	7,220	-	-	-	-		7,220	-
3.	Tata Investment Corporation Limited*	1,036,269	-	-	-	-		1,036,269	-
4.	Tata Steel Limited*	46,798	-	-	-	-		46,798	-
5.	The Tata Power Company Limited*	766	-	-	-	-		766	-

*Forms part of the Promoter Group

iv) Shareholding Pattern of Top ten shareholders (other than Directors, Promoters and holder of GDRs and ADRs):

Sr. No.	Top Ten Shareholders*	Shareholding at the beginning of the year April 1, 2019		Cumulative shareholding at the end of the year March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Life Insurance Corporation of India	152,493,927	4.1	157,530,396	4.2
2.	Invesco Oppenheimer Developing Markets Fund	16,731,906	0.4	28,045,020	0.8
3.	SBI Mutual Fund	21,600,561	0.6	26,429,597	0.7
4.	Axis Mutual Fund Trustee Limited	15,244,614	0.4	16,604,800	0.4
5.	Government of Singapore	19,028,475	0.5	16,012,260	0.4
6.	Vanguard Total International Stock Index Fund	15,970,944	0.4	15,772,829	0.4
7.	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	14,112,213	0.4	13,399,846	0.4
8.	ICICI Prudential Life Insurance Company Ltd	16,139,316	0.4	12,868,617	0.3
9.	First State Investments Icvc- Stewart Investors Asia Pacific Leaders Fund	19,248,430	0.5	12,252,728	0.3
10.	Wgi Emerging Markets Fund LLC	10,193,241	0.3	11,243,846	0.3

*The shares of the Company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2019		Cumulative shareholding at the end of the year March 31, 2020	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors							
1.	N Chandrasekaran	01-Apr-2019		177,056	-	177,056	-
		31-Mar-2020				177,056	-
2.	Aarthi Subramanian	01-Apr-2019		5,600	-	5,600	-
		31-Mar-2020				5,600	-
3.	Rajesh Gopinathan	01-Apr-2019		2,260	-	2,260	-
		14-Oct-2019	Purchase of Shares	500	-	2,760	-
		31-Mar-2020				2,760	-
4.	N Ganapathy Subramaniam	01-Apr-2019		197,760	-	197,760	-
		31-Mar-2020				197,760	-
5.	Keki Mistry	01-Apr-2019		4,078	-	4,078	-
		31-Mar-2020				4,078	-
Key Managerial Personnel							
1.	Ramakrishnan V	01-Apr-2019		2,000	-	2,000	-
		31-Mar-2020				2,000	-
2.	Rajendra Moholkar	01-Apr-2019		364	-	364	-
		31-Mar-2020				364	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Note 1	Note 2	Note 3	
Indebtedness at the beginning of the financial year				
i) Principal Amount	-*	-	4	4
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	4	4
Change in Indebtedness during the financial year				
• Addition	14,719	-	-	14,719
• Reduction	(14,719)	-	-	(14,719)
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	4	4
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	4	4

*Opening balance adjusted on account of transition to Ind AS 116 Leases.

Note: Deposits represent amounts received from lessee for the premises given on sub-lease and from vendors for contracts to be executed.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		
		Rajesh Gopinathan Chief Executive Officer and Managing Director	N Ganapathy Subramaniam Chief Operating Officer and Executive Director	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	135.90	129.18	265.08
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	109.22	36.00	145.22
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	1,000.00	700.00	1,700.00
	as % of profit	0.02	0.02	0.04
5.	Others, Allowances	92.82	146.51	239.33
	Total (A)	**1,337.94**	**1,011.69**	**2,349.63**
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)			**420,701.94**

B. Remuneration to other directors:

(₹ lakh)

Sr. No.	Particulars of Remuneration	Sitting Fees for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1.	**Independent Directors**				
	Aman Mehta*	1.80	60.00	-	61.80
	Dr. Ron Sommer*	1.80	60.00	-	61.80
	O P Bhatt**	6.90	200.00	-	206.90
	Dr. Pradeep Kumar Khosla	5.10	140.00	-	145.10
	Hanne Sorensen	4.80	140.00	-	144.80
	Keki Mistry	5.10	140.00	-	145.10
	Don Callahan	5.10	140.00	-	145.10
	Total (1)	**30.60**	**880.00**	**-**	**910.60**
2.	**Other Non-Executive Directors**				
	N Chandrasekaran@	4.20	-	-	4.20
	Aarthi Subramanian@@	5.40	-	-	5.40
	Total (2)	**9.60**	**-**	**-**	**9.60**
	Total (B)=(1+2)	**40.20**	**880.00**	**-**	**920.20**
	Total Managerial Remuneration				
	Ceiling as per the Act (@1% of profits calculated under Section 198 of the Companies Act, 2013)		42,070.39		

* Ceased to be Directors w.e.f. June 26, 2019 upon completion of their term as Independent Director

** Re-appointed as Independent Director for a second term w.e.f. June 27, 2019

@ As a policy, N Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated.

@@ In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata company and hence not stated.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Ramakrishnan V Chief Financial Officer	Rajendra Moholkar Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	77.66	23.90	101.56
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	54.82	1.55	56.37
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
5.	Others, Allowances	265.95	114.54	380.49
	Total	**398.44**	**139.99**	**538.42**

Note: For more information, please refer the Corporate Governance Report

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

FORM No. MR-3

Secretarial Audit Report

for the financial year ended March 31, 2020

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Tata Consultancy Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Consultancy Services Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2020 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:-

(a) Information Technology Act, 2000 and the rules made thereunder;

(b) Special Economic Zones Act, 2005 and the rules made thereunder;

(c) Software Technology Parks of India rules and regulations

(d) The Indian Copyright Act, 1957

(e) The Patents Act, 1970

(f) The Trade Marks Act, 1999

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **Parikh & Associates**
Company Secretaries

P N Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327B000161246

Mumbai, April 16, 2020

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members
Tata Consultancy Services Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and Other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

P N Parikh
Partner
FCS No: 327 CP No: 1228
Mumbai, April 16, 2020 UDIN: F000327B000161246

Management Discussion and Analysis

OVERVIEW OF THE INDUSTRY

In CY 2019, the global market for software and services is estimated to have grown to $1.5 trillion[1]. IT services is estimated to have grown by 3.9% YoY, characterized by a shift to digital technologies, and adoption of DevOps, and as-a-service models. Business Process Management grew by 4.5% over the prior year driven by a greater focus on robotic process automation as customers automate repetitive tasks and focus on strategic work.

TCS has historically grown much faster than the market. In the latest five-year period, while the market for IT-BPM services expanded by a CAGR of 2.4% (IT Services CAGR 2.3%)[2], TCS had a CAGR of 7.3% in USD terms. One reason for the outperformance is market share gains on account of superior capabilities, better execution, higher customer satisfaction and greater participation in our customers' growth and transformation spends.

OUR BUSINESS

An Overview[3]

TCS is an IT services, consulting and business solutions organization partnering many of the world's largest businesses in their transformational journeys for the last 50 years. It has a global presence, deep domain expertise in multiple industry verticals and a complete portfolio of offerings – grouped under consulting and service integration; digital transformation services; cognitive business operations; and products and platforms – targeting every C-suite stakeholder.

The company leverages all these and its deep contextual knowledge of its customers' businesses to craft unique, high quality, high impact solutions designed to deliver differentiated business outcomes. These solutions are delivered using the latest technologies through a unique Location Independent Agile™ delivery model, embedding a Machine First™ approach, recognized as a benchmark of excellence in software development.

Our geographic footprint covers North America, Latin America, the United Kingdom, Continental Europe, Asia Pacific, India, and Middle East and Africa.

TCS considers industry verticals as its go-to-market business segments. The five key vertical clusters are Banking, Financial Services & Insurance (BFSI); Retail and Consumer Business; Communications, Media and Technology (CMT); Manufacturing and Others. The last category includes Life Sciences and Healthcare, Energy, Resources and Utilities, Public Services and others.

[1] Nasscom Strategic Review (2020)
[2] Ibid
[3] Ibid

Integrated Business Model for Value Creation

Value Creation Model*

Talent and creativity, that is represented by **human capital**, is at the core of TCS' value creation engine.

TCS continually enhances its **human capital** by acquiring the best talent available in each of the markets it operates in, providing a supportive and vibrant workplace to engage that talent, investing in upskilling individuals with the latest technology skills, and giving them career paths matching their aspirations.

A firm belief in organic talent development, and of investing in people, has helped TCS successfully navigate through multiple technology cycles over the last five decades, pivoting and adapting each time to build relevant new capabilities through reskilling of the workforce at scale and helping customers realize the benefits of emerging technologies.

The company's industry-aligned, customer-centric organization structure has resulted in each business unit acquiring tremendous domain depth, and the account teams within those units building up immense customer-specific contextual knowledge. This domain expertise, contextual knowledge, project management experience and technology expertise gained on the job represents a conversion of human capital into **intellectual capital**.

TCS applies some of its **intellectual capital** towards investments in research and innovation (R&I), exploring the creative use of newer technologies to solve business problems across different industry verticals. In addition to its own intellectual capital, TCS also partners with leading technology providers, start-ups and academic researchers to leverage their intellectual capital and build solutions.

The immediate tangible outcomes of TCS' R&I, produced by in-house teams or co-created with customers or partners, are patents, proofs of concepts, and pilot solutions. The latter two are showcased at various innovation centers and Pace Ports™, and trigger conversations with customers on innovation in their specific business contexts. These often culminate in them signing up TCS as their innovation partner.

Some of the innovative software solutions piloted by R&I that are assessed to have a material market potential are productized, adding to TCS' large portfolio of products and platforms. These convert the organization's intellectual capital, create new revenue streams, adding to the **financial capital**, and enhance its brand positioning, i.e. **relationship capital**.

Customer Engagement

TCS uses its **intellectual capital** and **human capital** to build impactful customized technology and business solutions that address the customer's business problems. Further, its ability to stitch together complex, holistic solutions that address the needs of all stakeholders in the enterprise along with the high levels of trust engendered in customer relationships, helps it win large transformation deals. These deals bring in high quality revenues, powering industry-leading organic growth and margins, boosting the company's **financial capital**.

These solutions create immense value for our customers by helping them embrace new business models, pursue new revenue streams, deliver superior customer experiences, or build resilience and efficiency into their operations, and gain competitive differentiation.

The company's strong service orientation, willingness to invest in the relationship, commitment to deliver impactful outcomes and track record of execution excellence have resulted in consistently high customer satisfaction levels and long-enduring customer relationships. The resultant expansion in **relationship capital** translates into a very high level of repeat business that lends greater visibility and predictability to the business model.

TCS constantly invests in building newer capabilities and expanding its offerings. By cross-selling and up-selling these new offerings, customer engagements continually expand over the years, covering newer and newer areas of the enterprise's operations. This further broadens and deepens the contextual knowledge of customers' business and IT landscapes, further enhancing TCS' **intellectual capital**.

* [illegible]

Over time, the combination of business knowledge, contextual knowledge, technology depth, and intellectual property has become a steadily deepening moat around the company's business model and sharpened its differentiated positioning.

Value Sharing

Best-in-class profitability, reduced cost of capital due to a more predictable and resilient business, and high cash conversion on account of superior execution have resulted in a high return on equity. All this and a shareholder-friendly capital allocation policy have boosted the company's **relationship capital** with shareholders.

The investments in people, research and innovation, and intellectual property creation are all charged off and not capitalized. The company's capital expenditure to support its growth - **manufacturing capital** - towards building campuses, Agile workspaces, innovation centers, and Pace Ports is modest relative to its size. That, and the focus on pursuing organic business growth opportunities maximizes the free cash flow available for distribution to shareholders.

TCS' physical operations consume **social capital** in the form of license to operate in each of the communities, and **natural capital** in terms of its environmental footprint. TCS enhances its **social capital** with local communities across the world by investing in areas such as education, skill development, employability, health and wellness, and the environment, mapped to UN Development Goals[1]. On the environmental front, TCS has a systematic program to reduce its carbon and resource consumption footprint - including the use of green IT, green buildings, intelligent energy management using its own IoT-based solution and water and waste recycling. It has also been reducing business travel through greater use of video and audio conferencing and other collaboration tools.

TCS' business model and strategy have resulted in deep and enduring customer relationships, a vibrant and engaged workforce, a steady expansion of its addressable market, a strong reputation as a responsible corporate citizen and a proven track record in delivering longer term stakeholder value. All of this has significantly enhanced the company's brand value, which is a quantifiable measure of its **social and relationship capital** with stakeholders.

Strategy for Sustainable Growth

Customer-centricity is at the heart of TCS' strategy, organization structure and investment decisions. TCS' customer-centric worldview helps spot trends early, embrace business opportunities by making the right investments and mitigating risks, while discharging its social and environmental responsibilities. The company invests in broadening and deepening customer relationships by continually looking for new areas in their value chain where the company can add value, proactively investing in building newer capabilities, reskilling its workforce and launching newer services, solutions, products and platforms. Over time, TCS' participation has also extended into the departmental budgets of other stakeholders within the customer's organization – business heads, CMOs, CROs, COOs, CFOs and even CEOs. This has not only embedded TCS deeper into their businesses but has also resulted in a continual increase in services consumed, revenue and share of wallet, as evidenced by the client metrics reported every quarter and every year.

At an aggregate level, this strategy has resulted in deep and enduring customer relationships, a vibrant and engaged workforce, a steady expansion of the addressable market, and a proven track record in delivering longer term stakeholder value.

Enabling Investments

TCS pioneered the use of the word 'digital' to describe the new family of technologies that emerged in the last few years. Quick to recognize their potential, the company made investments ahead of time[2] in developing relevant capabilities - in terms of reskilling the workforce, research and innovation around the creative use of these technologies across different industries, building collaborative workspaces and innovation centers, IP in these new areas, and alliances and partnerships. These early investments have given TCS a head start in participating in its customers' growth and transformation journeys.

1 [illegible]: TCS is a signatory to the UN Global Compact and aligned with its ten principles. [illegible] one of the [illegible] companies in India to participate in [illegible] Report [illegible].

2 [illegible]

In FY 2020, in addition to continued investments in the aforementioned areas, TCS doubled down on Japan, raising its equity holding in TCS Japan Ltd, its joint venture with Mitsubishi Corporation, from 51% to 66%. This follows the setting up of a TCS Pace Port in Tokyo in FY 2019, and a Japan-centric delivery center in Pune in FY 2018.

The Company set up its second TCS Pace Port at New York, at the Tata Innovation Center on the Cornell Tech campus. This co-innovation and advanced research center consists of a TCS COIN™ accelerator, an Agile workspace, an academic research lab and an innovation showcase, and will help engage customers through the discovery, definition, refinement and delivery phases of innovation.

Thought Leadership

In 2017, TCS unveiled its Business 4.0™ thought leadership framework[1] to guide customers in their growth and transformation journeys. The four defining behaviors of successful enterprises in the Business 4.0 era are: drive mass personalization, leverage the ecosystem, embrace risk and create exponential value. They accomplish this by harnessing the abundance of resources – compute power, storage, talent, market reach – enabled by the convergence of intelligence, agility, automation and cloud. While this provides a way for customers to think through their digital transformation journeys at a business model level, TCS followed it up with an execution framework consisting of the Location Independent Agile model and the forward-thinking Machine First™ Delivery Model.

TCS' Location Independent Agile model allows large transformational programs to be delivered by globally distributed teams working collaboratively in an Agile mode, resulting in significant speed to market, reduced risk and enhanced customer experiences. The underlying project management methodology, governance structures, processes and controls, and security protocols have been extended to implement Secure Borderless Workspaces™, a fully location-agnostic model that lends further resilience to the delivery model.

Concurrently, TCS has been helping customers transform their IT and business operations using the Machine First approach that embeds analytics, automation and AI deep within the enterprise to reimagine entire slices of operations at a time to make them lighter, smarter and more resilient. This operations transformation unlocks significant value, funding the enterprise-level growth and transformation initiatives that are critical for its competitive differentiation.

Outcomes

TCS' thought leadership and investments have made it the preferred innovation and transformation partner to progressive enterprises across different industry verticals. Customers bank on TCS' contextual knowledge and solutioning capabilities to leverage new technologies to change their business models, drive new revenue streams, strengthen customer relationships by offering superior experiences, or transform their operations.

This has sustained demand for the entire gamut of services, solutions, products and platforms offered by TCS, resulting in a stronger order book, more robust revenue growth and improved market share. These transformational engagements are raising TCS' profile within CXO suites, embedding its teams more deeply within customers' businesses and resulting in greater predictability and resilience.

[1] See AR FY 2018

TCS Strategy

Market Trends	TCS Approach	Outcomes
• More and more industries are leveraging technology to differentiate themselves. • Customers want solutions to business problems and not just technology skills.	• Position as a growth and transformation partner • More investment in research and innovation, co-innovation and collaboration • Domain-specific IP • Greater focus on contextual knowledge • Proactive solution selling	• Industry-defining mega deals • Thinner competitive set • Higher quality revenue • More fulfilling work; better retention
• Non-CIO buyers emerging in enterprises	• Full stakeholder services and solutions	• Expansion of addressable market • More deeply embedded in customer's business; greater resilience and visibility • Higher profile, strategically more important engagements
• Transformational partners selected based on solution quality, and time to market	• Leverage TCS' contextual knowledge, Location Independent Agile, Machine First Delivery Model and Intellectual Property	• Thinner competitive set • Higher quality revenue
• Greater platformization of business	• Launch of cloud-based platforms and new business models • Leverage IP portfolio	• Large deals that improve business visibility • Expansion of addressable market • Frees up spends for systems of differentiation
• Pandemic disruption highlights need for operational resilience and enterprise adaptability	• Launch of SBWS • Greater focus on Location Independent Agile and MFDM • Promote operating model transformation using AI	• Highlights company's responsiveness • Market share expansion

FY 2020 PERFORMANCE OVERVIEW: HUMAN CAPITAL*

Talent Management

The ability to attract, motivate, develop and retain talent is critical to TCS' continued success. The company's HR strategy is focused on attracting the best talent globally, reskilling and transforming the workforce and providing a stimulating work environment which is flexible, nurtures social contract, fosters innovation, and builds a result-oriented, high performance culture. The progressive policies, continual investment in upgrading employees' skills and the philosophy of empowering individuals and helping them realize their potential have made TCS' HR processes and outcomes an industry benchmark.

Talent Management

Young, Global, Diverse Workforce

448,464
employees

36.2%
women

144
nationalities

31
years average age

Talent Development

4.7
million learning days

335K
employees trained in digital

417K
trained in Agile

679,805
certifications acquired

Talent Retention

12.1%
Attrition in IT services

* [illegible]

TALENT MANAGEMENT

A break-up of the workforce by region, age and gender is provided in the figure below[1]

[1] 102-8

Talent Acquisition**

TCS' talent acquisition strategy is to hire candidates with the right competencies required by the business at the right time, a judicious mix of lateral hires and trainees. TCS continues to remain the preferred employer at leading engineering campuses in India. The company's college recruitment efforts in USA, Canada, Latin America, China and Hungary have been progressing well with very encouraging outcomes. TCS has also been recruiting graduates from the Top 10 B-Schools in the US for key business roles, including both fresher and lateral hires. TCS was one of the largest job creators in IT services in several major markets.

TCS National Qualifier Test

This nationwide online test administered by TCS iON[TM] has democratized the opportunity to work for TCS. It has helped TCS tap into the larger national talent pool and significantly boosted the quality of entry-level talent.

- Participation by over 3,96,000 students
- 2,500 colleges represented

Academic Interface Program

TCS partners with academic institutions to enhance their curriculum and pedagogy. Activities include workshops, internships, sponsorship of contests, faculty development programs, research scholarships, curriculum review and launch of new programs.

- 2,181 internships across 71 institutes in India and 352 institutes outside
- 805 workshops, 73,146 students
- 404 faculty development programs: 14,778 members of the faculty
- 1,794 employees pursuing higher education under TCS Higher Education Program

Campus Commune

A unique student engagement portal for collaboration and peer networking, featuring webinars, educational videos and expert blogs.

- ~2.5 million engineering students

Gamified hiring

Programming contests to spot top talent.

- 3,000+ job offers made to toppers of six contests – EnQuizite, EngiNx, CodeVita, HackQuest, Inframind, HumAIn
- 2,90,000+ registrations from 88 countries in CodeVita's 8th season

**GRI-

Reimagining Fresher Onboarding

In FY 2020, TCS reimagined the fresher onboarding process. In a departure from the past, where campus recruits used to be onboarded in batches staggered across the entire year, TCS onboarded all campus recruits, adding up to over 30,000 trainees, in just the first two quarters of the year.

This feat of unprecedented scale was accomplished by front-loading the fresher training program even before they were onboarded, through TCS Xplore, a digital training program that leverages the TCS iON platform. This program provides video courses on technology topics, TCS processes and soft skills. Through live webinars, trainee candidates interact with TCS SMEs and have their questions answered.

Proctored assessments test the candidates' theoretical and practical knowledge. High performers are rewarded with monetary incentives and early joining dates, incentivizing better preparation and performance. Documents are verified digitally, and physical onboarding takes place at multiple locations across India. On joining TCS, a customized and differential training program is conducted based on each candidate's performance in the Xplore proctored assessment. Exit tests, conducted twice a week, help ensure that the trainees are competent and can be deployed on billable assignments.

Competitive Compensation

TCS' model depends on its ability to attract and retain talent in the highly competitive, global market for software engineers with graduate or post graduate degrees in engineering and with relevant technical skills. The company regularly benchmarks its compensation plans and benefits with the market to ensure competitiveness.

Compensation structures are driven by prevailing practices in each country that TCS operates in. However, across the enterprise, remuneration is the same for men and women working full-time, in the same grade, in the same role and at the same location. Where relevant, the company publishes the raw mean and median pay differences between genders (not normalized for part-timers or grade and role differences) on its own website as well as on public sites. There is also a skill-based allowance for employees possessing niche skills, designed to motivate employees to acquire marketable skills, thereby benefiting themselves as well as TCS.

The company offers a variety of benefits to full-time employees including parental leave. In FY 2020, a total of 8,331 employees availed of parental leave. Of these, 92 were men and 8,239 were women. Of the 4,610 employees whose parental leave ended during the year, 92 were men and 4,518 were women. Of those, 89 men and 4,407 women employees rejoined work, amounting to a retention rate of 97% and 98% respectively.

At TCS, three months' notice is required from either side for termination. In India, less than 0.03% of the workforce is unionized. Although most of the organization's activities are performed by full-time employees, TCS uses contractors, especially for short-term assignments of those requiring skills not internally available.

Talent Diversity

TCS is an equal opportunity employer, embracing diversity in race, nationality, religion, ancestry, marital status, gender, age, ethnic origin, physical ability, and sexual orientation. Compensation levels are merit based, determined by qualification, experience levels, special skills if any, and individual performance.

Through a variety of initiatives and campaigns, the company celebrates the diversity within the workforce and promotes inclusion. The company has a well-defined and progressive Diversity and Inclusion Policy with a focus on gender diversity (men, women, non-binary gender), persons with disability and neuro diversity, sexual orientation, diversity of the mind, and generational diversity. This includes parental leave and insurance cover for LGBTQ+ partners and gender re-assignment surgery.

405-2
401-3

402-1
102-8
405-1

balance, equal opportunity and fair practices. TCS' Centre of Excellence for Accessibility works on IT solutions for differently abled individuals, aiding their integration into the workforce.

The company has multiple initiatives for helping women employees realize their potential, while striking a good work-life balance. These include: discussion circles to help women through major life stages, re-orientation programs to reconnect employees after long leave, interactions with inspirational women leaders and special leadership development programs to address the needs and aspirations of women (Pinnacle, iNspirAll and iExcel), learning modules to equip mid-level managers to work with diverse teams, tie-ups with day care centers near the workplace, virtual support groups and parenting workshops.

These targeted initiatives have helped TCS make tremendous progress in fostering gender diversity. It is today one of the world's largest employers of women. A few key outcomes are detailed below:

- **Participation:** There has been significant improvement in women's participation across different levels over the last five years:

Women in workforce (%)

- **Role Mobility:** 63% of the participants in the iExcel program reported role movements thereafter; 49% experienced upward progression while 14% had lateral movements.
- **Mentorship:** Participants in these programs are also helping develop and advance others. 220 iExcelers are active mentors, having mentored 1,825 associates till date, an average of 8 mentees per iExcel mentor.
- **Innovation:** This is a high focus area, helping TCS gain a differentiated positioning in the market. Of the 2,571 unique inventors responsible for the 1,381 granted patents till date, 544 are women.
- **Quality of life:** An internal poll showed that 76.4% women were satisfied with their work-life balance (versus 67.8% among men).

Talent Development *

Average learning hours per associate **

TCS takes a purpose-based approach to learning and development that leverages horizontal collaboration and the abundance of internal talent in an ecosystem where the learning is just-in-time, just-for-me and just-enough.

The company's self-sustaining model for building a competency in any new area is by first seeding a core pool of experts who go on to guide other individuals thereby creating a pipeline of expertise. Complementing this, the learning ecosystem uses a phy-gital (physical and digital) model to guide self-paced, gamified digital learning through learning platforms, bootcamps and hackathons, with a feedback loop of robust data analytics that shapes investment decisions.

* Excl. [illegible]
** [illegible]

Associates are encouraged to embrace continuous learning across experience levels through our inclusive learning ecosystem with programs spanning technology, domain, process, function, culture and leadership. These programs are at different proficiency levels, enabling associates to learn, apply and grow in the organization. TCS' virtual-first learning model democratizes access to skills by enabling any content, anytime, anywhere, anyone and on any device.

Career Management

TCS has multiple initiatives to help employees grow in their careers:

- **iConnect** is a highly collaborative tool designed to help employees reach out to senior members for guidance on career paths, and have face-to-face dialogues about their role and career. It provides flexibility for group mentoring as well as individual mentoring.

- **Inspire** is the high potential program for mid-level employees. It helps identify high potentials as early as possible, invest in them continuously, enable accelerated growth, and transition them to leadership roles, and reward and recognize their efforts and success.

- **Talent Review** is TCS' process to assess and review the leadership pool in the organization. It enables leaders to share their career aspirations and preferences of mobility, followed by an assessment of their leadership attributes. The objective of the program is to create and sustain a healthy leadership pipeline.

- **Opportunities** is the internal platform to publish niche and critical requirements to the leadership and high potential communities, thereby facilitating talent mobility. This embodies the company's philosophy of giving the first right of refusal for all leadership positions to internal candidates, thereby enabling better leadership development and building strong organizational loyalty.

Talent Engagement

Some of the platforms and initiatives used by TCS to enhance and enrich employee engagement are:

- **Cara:** AI based HR assistant that answers employee questions on HR policies.
- **Milo:** Chatbot to facilitate the mentoring process.
- **Knome, KnowMax, GEMS:** Platforms for social collaboration within the organization, learning, sharing and for rewards and recognition.
- **Safety First:** Initiative focused on employee safety and security.
- **Fit4life:** Builds a fraternity of health and fitness conscious employees and creates a culture of fitness.
- **Purpose4life:** Forum for volunteering for community projects in the areas of education, health and environment.
- **Maitree:** Community of TCSers and their families who plan activities that help create a bond among employees and promote work-life balance.
- **PULSE:** Our annual employee engagement and satisfaction survey is the organization's formal listening forum.
- **TCS Cares:** Program aimed at creating robust avenues to build an emotionally strong and mentally resilient workforce.

Talent Retention

TCS' empowering culture, philosophy of investing in people, career growth opportunities, and progressive HR policies have resulted in consistently high retention levels and developed a strong employer brand. In recent years, the company's investments in organic talent development and initiatives like Contextual Masters have further reassured employees that the company values them for the contextual knowledge they possess and is prepared to invest in equipping them with new-age technology skills that they do not have. This has made TCS the employer of choice and its employee retention record an industry benchmark. In FY 2020, TCS' IT services attrition rate was 12.1%.

Occupational Health and Safety*

TCS has a well-defined Occupational Health and Safety policy and supporting processes to ensure the safety and well-being of its employees. Safety lead and lag indicators are measured across the organization and reported. The Board-level Stakeholders' Relationship Committee reviews the company's health and safety performance on a regular basis. Over 96% of our workforce is represented in joint management-employee health and safety committees** that monitor, advise and drive occupational health and safety initiatives.

In FY 2020, TCS migrated to the ISO 45001:2018 Occupational Health and Safety Management System standard and successfully completed external certification for 126 of its facilities worldwide. A key initiative was the implementation of real-time indoor air quality monitoring across 100+ facilities, leveraging IoT. Medical support and emergency preparedness was further strengthened, with health centers across all locations including necessary medical equipment, AEDs, on-site ACLS ambulances, and visiting doctors covering all operational shifts.

Workplace safety remains a key focus area. In addition to induction training, and mandatory annual refreshers, a variety of employee engagement activities were conducted round the year. The themes covered included road safety, ergonomics, fire safety, workplace safety, women's safety, self-harm, and street crime. Employee satisfaction index on health and safety has consistently increased over the years, reflecting the success of these engagement initiatives.

FY 2020 PERFORMANCE OVERVIEW: INTELLECTUAL CAPITAL

Sustained investments over the years have resulted in a significant scaling up of TCS' Research and Innovation (R&I) capability and assets, reaching deep into the individual business units. The company now has 4,300+ inventors and innovators across the enterprise. The Chief Technology Officer orchestrates investments across the organization spread across three horizons:

- Horizon 1 or derivative innovations: Consist of newer adjacent offerings around an established intellectual property. Mature IP-based solutions from TCS R&I relating to Accessibility and Privacy as well as ignio™, MasterCraft™ and Jile™ saw new features and releases this year.
- Horizon 2 or platform innovations: Examples in the AI area include enterprise digital twins, document and machine vision, semantic systems and automation, which enable a number of platforms created with business units.
- Horizon 3 or disruptive innovations: New areas for foundational research or programs such as media and advertising, metamaterials, quantum computing and sensing, and space technology.

TCS R&I is building a rich pipeline of IP-based assets consisting of patents, products and platforms. To enable business alignment and to de-risk emerging technology use, the company rigorously deployed its New Products and Services Development framework. This has resulted in a further expansion of its IP portfolio across a range of technologies and industry domain processes. As of March 31, 2020, the company has filed for 5,216 patents and has been granted 1,541 patents. TCS researchers presented 170+ papers at premier research conferences this year.

Broad-basing Innovation

Every key business unit has its own innovation program led by a unit-level CTO. These units leverage their deep domain expertise, customer-specific contextual knowledge and the research outcomes in emerging technologies from Corporate R&I as well as the TCS Co-Innovation Network to come up with innovative solutions for customers in their respective segments. Examples include:

- TCS Digital Workplace Studio: This is a cognitive platform designed to accelerate digital workplace transformation. It hosts a complete suite of digital workplace components that enhance user experience with persona-based delivery, predictive healing, advanced analytics, cognitive IT support, chatbot assistance, knowledge as a service, and modern device management.

* GRI 2: 403-4
** 403-1

- TCS Enterprise Digital Twin ChwnX™: this uses AI (machine learning, deep learning and reinforcement learning) and TCS' proprietary Enterprise Simulation to deliver a holistic reflection or a 'digital twin' of the enterprise.
- AlgoRetail™: Combining AI and machine learning techniques AlgoRetail creates a paradigm shift in how retailers do business, seamlessly integrating and orchestrating data across the retail value chain to unlock exponential value.

Innovation Ecosystem

TCS' Co-Innovation (COIN)™ ecosystem continues to expand. It now consists of over 1,900 start-ups distributed across innovation hubs all around the world. The global Academic COIN program now has 55 active partnerships with various institutions and 43 active research projects. This year, the company entered into research partnership in Life Sciences and Materials with the Council of Scientific and Industrial Research, India. Additionally, it strengthened engagements with existing partners like the IISc, IITs, IIITs and ISI in India, Cornell Tech and Carnegie Mellon University, USA and University of Tokyo, Japan.

Customer Engagement

The TCS Innovation Forum 2019 was held in Tokyo, London, New York and Sao Paulo and attracted over 700 participants. Customized Innovation Days were held for several anchor customers. Both these were an occasion for reaching out to customers and jointly exploring the art of the possible with new technologies.

Customers also leveraged the innovation ecosystem through TCS Pace Ports™. Pace Ports offer access to COIN accelerators, academic research, design thinking and agile workspaces and innovation showcases, enabling faster innovation. TCS Pace Port New York, was launched this year in the Cornell Tech campus.

TCS runs ideathons and hackathons almost every week to build an innovation culture within the organization and offer employees opportunities to innovate within and outside their current assignments. These crowdsource innovative ideas from within TCS and have been very popular with customers. Several customers have run challenges and have been impressed by the number of novel solutions or ideas TCSers have come up with.

Social Good

TCS' R&I also has been working on an accessibility suite of solutions to extend digital services to people with accessibility issues, making computing solutions inclusive.

The TCS Research Scholar Program has supported [illegible] scholars from [illegible] premier institutes till date; [illegible] scholars are currently covered by the program. TCS' researchers mentor young social entrepreneurs solving socially relevant problems at the TCS Foundation's Digital Impact Square (DIVG), Nashik. The program has nurtured 300 innovators till date.

TCS Suite of Products and Platforms

TCS BaNCS

- 23 new wins (7 for TCS BaNCS Cloud) and 24 go-lives in FY 2020
- Highlights:
  - Banking: Serves ~25% of the world population
  - Capital Markets: Records 10 million trades per day (peak), represents $60 trillion worth of AUC across 100 countries
  - Insurance: Administers over 20 million life, annuity and pension policies; 10 million property and casualty policies

TCS iON

- Digital Glass room: Virtual learning platform, made available to educational institutions across the country shut down by lockdown, free of cost. 2,000 institutions conducted their teaching sessions in a span of one week since launch
- Assessment: 200 million+ candidates assessed to date, 7.4 million candidates assessed in largest single shift in FY 2020
- Learning: 5 million+ learners on the platform, 37,000 courses available, 10,000 communities
- Process Management: 500+ SMB clients, 1 million+ users

ignio

- World leading cognitive automation software for enterprise IT and business operations
- 5 new wins and 14 go-lives in FY 2020
- 12 VARs and distributors and 13 tech and cloud partners in FY 2020
- Manages over 1.5 million technology resources autonomously

TCS ADD

- Comprehensive suite for digital transformation of drug development and clinical trials
- 9 new wins in FY 2020
- 6 new offerings enabled by AI and predictive analytics launched in Site Feasibility, Safety leveraging Decision Fabric, Clinical Analytics and Insights Platform, Regulatory Insights, Metadata Registry, Digital Documents

TCS HOBS

- Plug and play SaaS based business platform to digitally transform business, network and revenue management domains of subscription based businesses
- Serving 27+ clients across Communications, Utilities, Manufacturing and Personal Care. Serving 21 million+ subscribers, handling 125,000+ devices and processing 1 billion+ events
- 3 new wins and 4 go-lives in FY 2020

TCS TwinX

- AI powered system of enterprise intelligence – powered by an enterprise digital twin (customer, product, process) to help business leaders simulate and optimize enterprise decisions, predict and proactively manage outcomes
- 2 new wins and go-lives in FY 2020

TCS Optumera

- AI and ML powered merchandise optimization platform that enables retailers to unlock incremental value by optimizing their space, mix and price in an integrated manner
- 4 new wins and 1 go-live in FY 2020

TCS OmniStore

- Unified store suite which leverages AI to help deliver personalized, interconnected journeys across various touch points for frictionless customer experience and predictive operations
- 4 new wins and 2 go-lives in FY 2020

Mastercraft

- Digital platform to optimally automate and manage IT processes
- FY 2020 highlights: 28 new wins, 1 billion+ records cleansed, 90 billion records masked, 500+ million lines of code (MLOC) analyzed, 25+ MLOC generated
- Successfully delivered 60+ modernization projects so far

Jile

- SaaS based, scalable Agile DevOps platform to accelerate software development and delivery and integrate DevOps tools
- 8 new wins and go-lives in FY 2020

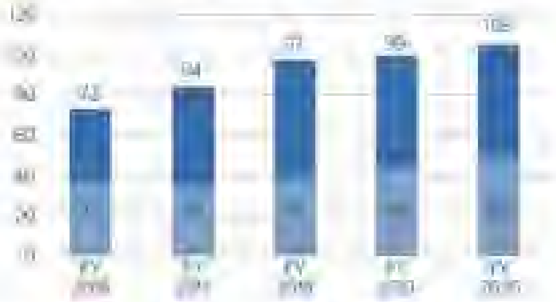
FY 2020 PERFORMANCE OVERVIEW: RELATIONSHIP CAPITAL

Customers

Customer centricity is at the core of TCS' business model, organization structure and investment decisions. The philosophy has been to delight them by accommodating their needs and delivering superior outcomes, and build strong, enduring relationships. Additionally, the company seeks to expand and deepen customer engagement by continually looking for new areas in the customer's business where the company can add value, proactively invest in building newer capabilities, and launch new services and solutions to participate in those opportunities.

Over time, this has resulted in an expanding participation in the departmental spends of a broad range of stakeholders across the enterprise, including business heads, CMOs, CROs, COOs, CFOs and even CEOs. It has also resulted in a continual expansion of customer relationships in terms of the services consumed, revenue and share of wallet, as evidenced by the client metrics that the company reports every quarter and every year.

Client metrics



Suppliers*

TCS' Sustainable Supply Chain policy and Green Procurement policy outline its commitment to making its supply chain more responsible and sustainable. In FY 2020, the company integrated sustainability, safety and environmental requirements in its online vendor management system across the various stages of vendor lifecycle – selection, review and renewal.

Supplier engagement includes defining product specifications on safety/environment, vendor compliance review, outlining mandatory policy and process requirements, desktop assessments, audits and performance review on these criteria. TCS' responsible sourcing program encourages its suppliers to go beyond 100% regulatory compliance, and strive for better sustainability performance.

Investors

TCS is seen as a benchmark in transparency and disclosures, publicly communicating its longer-term strategy, qualitative aspects of the demand outlook, risks and opportunities. The company has a robust investor outreach program through which it engages with a broad range of investors domestically and overseas. These efforts towards removing information asymmetries and helping investors arrive at a fair valuation of the company's stock have resulted in TCS topping various regional investor polls conducted by publications such as Institutional Investor, FinanceAsia and AsiaMoney.

The following table provides the number of investor and analyst interactions by category in FY 2020:

Particulars	Q1	Q2	Q3	Q4	FY 20
Meetings and Calls	20	46	41	151	258
Conferences	93	99	119	47	358
Road Shows	16	7	4		27
Sell Side Analyst	15	40	32	9	96
Total	**144**	**192**	**196**	**207**	**739**

* [illegible]

Quarterly, half-yearly, and annual results are intimated to the stock exchanges, published in leading Indian newspapers, emailed to analysts and investors who subscribe to the service, and posted on the website. Half-yearly results are mailed to shareholders, along with a message from the MD on the company's performance.

The quarterly earnings release is accompanied by a press conference, which is streamed live on www.tcs.com, and an earnings call that is webcast on the website. Material developments during the quarter that might impact revenue or earnings are intimated to the stock exchanges and through the website. Quarterly results, regulatory filings, transcripts of earnings call, Investor Relations presentations and schedules of analyst and investor interactions are available at https://www.tcs.com/investor-relations

Brand Value

TCS' reputation for customer centricity, domain depth and execution excellence have made it the preferred growth and transformation partner to leading corporations across the world. It is also recognized as a top employer brand across the major markets it operates in, including North America, Europe, UK, India, Latin America and Australia, among others.

The company's long-standing research and innovation program has resulted in an industry-leading portfolio of patents, products and platforms. It has gained more visibility due to investments in innovation centers, design studios and PacePorts. Partnerships with leading technology providers, promising start-ups and top academic institutions in India and across the world, have further boosted its credentials for research and innovation.

Its purpose-driven community outreach and corporate social responsibility initiatives across the world have earned it local recognition and goodwill. The company's high standing in the investor community is evidenced by the top ranking it has been consistently receiving in surveys across the region.

The cumulative effect of all the goodwill and recognition from these different stakeholders has helped put TCS among the Top 3 brands in IT Services by brand value.

In recent years, TCS has significantly built its presence and strengthened its brand across all major markets. It is a strategic partner to the World Economic Forum and European Business Summit, and hosts a range of annual industry forums for C-suite customers and partners. TCS also significantly invests in a comprehensive portfolio of brand sponsorship platforms, from the TCS New York City Marathon and TCS Amsterdam Marathon, to several other running events in the United Kingdom, Sweden, Japan, Singapore, Australia, India, and the Philippines. Together, these annual events engage more than 10,000 senior business executives.

According to Brand Finance, TCS' brand value grew 470% from 2010-2020, the highest percentage growth in the IT services industry; year-on-year brand value grew from $12.8bn to $13.5bn in FY 2020, making TCS the fastest growing among the top three IT services brands for the second year running.

Source: Brand Finance

FY 2020 PERFORMANCE OVERVIEW: MANUFACTURED CAPITAL

Open Agile collaborative workspaces to support all stages of the innovation lifecycle

To support the large-scale adoption of the Location Independent Agile delivery model, TCS has invested in transforming its conventional delivery centers into Agile delivery centers. These are characterized by visual openness and are designed to enable greater collaboration among Agile teams. Variable-height workstations, multimedia conference tables, on-demand mobile video conferencing facilities and huddle spaces help create an open, vibrant, and collaborative workspace.

Using advanced planning, preparatory work, order consolidation and by optimizing logistics for on-premises ADC creation, TCS has been able to complete the conversion over 2-3 weekends, without impacting ongoing work at those centers. The larger transformation program is being run using Agile principles. Till date, over 1,000 Agile delivery centers have been created till date, 250 of them in FY 2020.

To support the various stages of the innovation lifecycle, TCS has also created many Open Agile Collaborative Workspaces within its campuses, each featuring an ideation zone, an innovation zone, a design thinking zone, a prototype/demo area, and social collaboration zones. The technology resources, software, and necessary tools are available in a self-provisioning mode, fulfilling on-demand requirements in a highly secure manner, driving greater productivity. These workspaces also feature software defined networks, enabling greater mobility and flexibility.

FY 2020 PERFORMANCE OVERVIEW: FINANCIAL CAPITAL[21]

The discussions in this section relate to the consolidated, Rupee-denominated financial results pertaining to the year that ended March 31, 2020. The financial statements of Tata Consultancy Services Limited and its subsidiaries (collectively referred to as "TCS" or "the company") are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

The following table gives an overview of the consolidated financial results of the company:

₹ crore

	FY 2020	% of Revenue	% Growth	FY 2019	% of Revenue
Revenue	156,949	100.0	7.2	146,463	100.0
Earnings before interest, tax, depreciation and amortization (EBITDA) before other income	42,109	26.8	6.6	39,506	27.0
Profit Before Tax (PBT)	42,248	26.9	1.6	41,563	28.4
Profit after tax attributable to shareholders of the company	32,340	20.6	2.8	31,472	21.5
Earnings per share (in ₹)	86.19		3.8	83.05	

Analysis of revenue growth

On a reported basis, TCS' revenue grew 7.2% in FY 2020, compared to 19.0% in the prior year. Much of the year on year deceleration is on account of the lesser currency benefit received in FY 2020 (7.6% currency benefit in FY 2019 vs 0.1% benefit in FY 2020). Additionally, there was volatility in demand in the financial services and retail verticals.

Average currency exchange rates during FY 2020 for the three major currencies are given below.

Currency	Weightage (%)	FY 2020 ₹	FY 2019 ₹	% Change YoY
USD	53.0	71.23	70.09	1.7
GBP	14.0	90.15	91.60	(1.6)
EUR	10.7	78.94	80.62	(2.1)

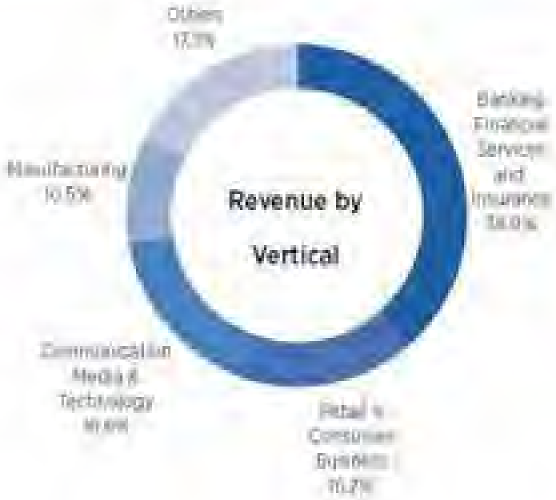
Movements in currency exchange rates through the year resulted in a positive impact of 0.1% on the reported revenue. The constant currency revenue growth for the year, which is the reported revenue growth stripped of the currency impact, was 7.1%.

Growth attributable to	FY 2020 (%)	FY 2019 (%)
Business growth	7.1	11.4
Impact of Exchange rate	0.1	7.6
Total Growth	7.2	19.0

21 [illegible]

Segmental Performance

The revenue break-up by Industry Vertical and Geography is provided below:



Segment revenues, year-on-year growth, a brief commentary and segment margins are provided below:

Industry Vertical	Segment Revenue FY 2020 *(FY 2019)* ₹ crore	YoY Revenue Growth %	Commentary	Segment Margin FY 2020 *(FY 2019)* %
Banking, Financial Services and Insurance	61,095 *(57,938)*	5.4	• Growth and transformation spends gained priority over cost optimization spends in FY 2020. There was more focus on innovation and ecosystem play to deliver more fulfilling customer journeys. • Future readiness remained a key theme. Legacy estate modernization and cloud enablement for greater agility and reduced cost of ownership continued to be significant drivers. • Other key areas of spend included adoption of open banking, payments, insights-driven customer experience, automation, and robo advisory systems. • On the compliance front, new standards like IFRS 17, FRTB, Definition of Default and LIBOR transition drove spend.	27.7 *(27.8)*
Communication, Media and Technology	25,078 *(23,925)*	[illegible]	• Key drivers of spend were continued investments in analytics and superior customer experience for growth in subscription centric business models, simplification and automation of core operations to improve efficiencies, OTT platforms and services, roll-outs of fiber networks for high bandwidth connectivity, and mergers, acquisitions and divestitures. • Customers invested more on re-architecting existing products on cloud native platforms, and in transforming their marketing, sales, customer service and supply chain operations to support changing business models.	29.7 *(27.8)*
Retail and Consumer Business	26,380 *(25,164)*	4.8	• Retail – The North American market was under stress with store closures and bankruptcies. Growth was driven by operating model transformation initiatives for greater agility, efficiency and resilience, and to enhance customer experience. • CPG – Companies are focused on strengthening consumer relationship with the brand. Technology investments were driven by direct-to-consumer initiatives including mass personalization. • Travel, Transportation & Hospitality – The transportation sector was subdued due to the slowdown in global trade. Overall, growth was driven by investments in analytics, customer experience, ecosystem leverage and M&A.	28.1 *(27.3)*

Industry Vertical	Segment Revenue FY 2020 *(FY 2019)* ₹ crore	YoY Revenue Growth %	Commentary	Segment Margin FY 2020 *(FY 2019)* %
Manufacturing	16,468 *(15,682)*	5.0	• Across the sub-segments, a common thread was the effort to mitigate commoditization of traditional business by adopting B2B2C business models or 'asset as a service' business models. • Enhancing customer experience and engagement, as well as ecosystem partnering were the strong investment themes. • Some segments saw cost optimization and focus on M&A, driving demand for process harmonization and global rollouts of enterprise software. • Investments were around the shift to cloud, CRM, portals, extended mobility, and application development using Agile methods.	27.0 *(27.5)*
Others	27,128 *(23,754)*	14.2	• Growth in the Life Sciences segment has been led by continued M&A, need for business agility, need for improved R&D outcomes and patient-centricity. • Key areas of spend across verticals included user experience, compliance, IT operating model transformation, ERP transformations, digital workplace, digitization of clinical trials, process automation and intelligence, cloud enablement and cyber security.	22.6 *(23.4)*

Business Outlook

Global economic growth is projected to contract sharply from 2.9% in 2019 to -3%[1] in 2020, much worse than during the 2008-09 financial crisis. Rolling lockdowns and social distancing restrictions on account of the pandemic are expected to significantly impact economic activity in all major markets, and cause demand compression. In the immediate aftermath, enterprises are expected to downscale current investments, defer planned initiatives, cut costs and conserve cash. While this could inject volatility into TCS' revenue growth, the company expects to gain market share from ensuing vendor consolidations.

Demand is expected to increase for services around digital channels, collaboration and workplace transformation, online learning and workforce analytics. Companies are also expected to invest more towards building operational resilience leveraging analytics, intelligent automation, cloud and cyber security. This is expected to accelerate the adoption of TCS' Location Independent Agile and Machine First Delivery Model. Increased M&A activity in certain sectors are expected to result in integration and transitional service opportunities for TCS.

[1] World Economic Outlook, April 2020, International Monetary Fund

As economic recovery progresses, enterprises operating with pared down workforces are likely to increase outsourcing to build scale in operations to meet rising demand. Spending on growth and transformation initiatives is also expected to start picking up from that point on.

Enterprise Risk Management

TCS' global operations bring in considerable complexities and in response to that, it has established a robust enterprise risk and compliance management framework and process to ensure achievement of its strategic objectives. This process is enabled by a digital platform that provides an enterprise-wide view of risks and compliance which enables a more holistic approach towards informed decision making. Risks are assessed and managed at various levels with a top-down and bottom-up approach covering the enterprise, the business units, the geographies, the functions and projects.

Listed below are some of the key risks, anticipated impact on the company and mitigation strategies.

Key Risks	Impact on the Company	Mitigation
Disruption and Uncertainty in Business due to Covid-19 pandemic	The company's operations might be adversely impacted due to incapacitation of sections of the global workforce due to exposure to the pandemic, reduced productivity due to employee stress and impact on emotional wellbeing while under local lockdowns or quarantines, inability to provide work from home access to some employees due to logistical or security or contractual reasons, and suppliers' inability to service TCS. These could impact revenue growth and lead to potential customer claims on grounds of non-adherence to service delivery commitments. Demand for the company's services may be adversely affected not only in industry segments directly impacted by the pandemic – like travel and hospitality, but across other segments as well due to a sharp slowing down of the world's major economies. This is likely to affect the company's earnings in the short and medium term. However, the company's relative competitiveness is expected to increase because of its traditional value focus and its strong track record in helping customers improve the efficiency and resilience of their business and IT operations through core transformation initiatives and the Machine First Delivery Model.	• Establishment of a Covid-19 Emergency Response Apex committee at Enterprise level to drive a holistic action plan and consolidate global efforts. • Deployment of TCS' Secure Borderless Workspaces infrastructure enabling associates to work from home and ensure business continuity. Digital communication channels and collaboration platforms set up for them to stay connected with colleagues and customers. • 24*7 dedicated helpline for associates to address their Covid-19 related queries and for emotional support. Organization of regular webinars, interactive sessions, group and one-on-one counselling services (including their ergonomic health) for associates with HR and medical specialists. • Guidance and mandate of appropriate social distancing measures and workplace and home functioning advisories. • Rigorous review and execution of Business Continuity and Crisis Management capability which is benchmarked with ISO 22301 certification. • Regular coordination with key suppliers for expeditious provisioning of assets critical for business services. • Regular communication with customers about measures taken to maintain business services and reporting of status. • Drawing up of plans and identification of opportunities for proposing new and re-purposed offerings and solutions during and post the Covid-19 disruption.

Key Risks	Impact on the Company	Mitigation
Volatile global political and economic scenario	Corporate spending on technology has shown strong correlations with GDP growth. The company derives a material portion of its revenues from customers' discretionary spending which is linked to their business outlook. Political disruptions or volatile economic conditions (trade tensions, post-Brexit uncertainty, Covid-19 pandemic impacts on the global economy, US presidential elections etc.) may adversely affect that outlook resulting in reduced spending which could restrict revenue growth opportunities.	• Broad-based business mix, well diversified across geographies and industry verticals. • Offerings and value propositions targeting all stakeholders (in addition to the CIO) in the customer organization, covering discretionary as well as non-discretionary spends, and relevant at every point in the business cycle. • Cater to market segments which might provide counter-cyclical support. • Long term contracting models. • Leverage business ecosystem through collaboration with partners, start-ups and alliances to participate in transformation initiatives of customers.
Restrictions on global mobility, location strategies	Distributed software development models require the free movement of people across countries and any restrictions in key markets pose a threat to the global mobility of skilled professionals. Legislations which restrict the availability of work visas or apply onerous eligibility criteria or costs could lead to project delays and increased costs. The impact of Covid-19 pandemic may further aggravate restrictions on global mobility in the coming year.	• Ongoing monitoring of the global environment, working with advisors, partners and governments. • Material reduction in dependency on work visas through increased hiring of local talent including freshers, use of contractors, local mobility and training in all major markets. • Use of Location Independent Agile to promote systematic collaboration and reduce the need for on-location. • Active engagement in Science, Technology, Engineering and Math (STEM) initiatives designed to structurally increase the availability of engineering talent in major markets. • Greater brand visibility through event sponsorships, community outreach, showcasing of investments, innovation capabilities and employment generation. • Increased outreach to government stakeholders, trade bodies, think tanks and research institutes.

Key Risks	Impact on the Company	Mitigation
Business model challenges	Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors. This is resulting in increased demands on the company's agility to keep pace with the changing customer expectations. Failure to cope may result in loss of market share and impact business growth.	• Strong customer-centricity which results in a strategy, investments and enabling organization structure that are always aligned to customer needs • Early and continued investments in building scale and differentiated capabilities on emerging technologies through large scale reskilling, external hiring, research and innovation, solution development and IP asset creation leveraging deep contextual knowledge • Staying relevant to customers by constantly launching new service practices and technology solutions and modernizing existing offerings and solutions • Thought leadership by propagating the Business 4.0 framework leveraging the Machine First Delivery Model. Developing industry-specific best practices and artificial intelligence led products to enable customers to derive greater business value and discover opportunities to transform and grow their businesses • Implementing Location Independent Agile methods to mitigate location constraints and pricing and margin pressures • Constant scanning of the technology landscape through alliance partnerships, and strong connections in academia and the start-up ecosystem to spot new trends and technologies and launch offerings around them

Key Risks	Impact on the Company	Mitigation
Litigation risks	Given the scale and geographic spread of the company's operations, litigation risks can arise from commercial disputes, perceived violation of intellectual property rights and employment related matters. Our rising profile and scale also make us a target for litigations without any legal merit. This risk is inherent to doing business across various countries and commensurate with the risk faced by other players similarly placed in the industry. In addition to incurring legal costs and distracting management, litigations garner negative media attention and pose reputation risk. Adverse rulings can result in substantive damages.	• Strengthening internal processes and controls to adequately ensure compliance with contractual obligations, information security and protection of intellectual property • Improved governance and controls over immigration process / increasing localization and sensitization of business managers • Potential disputes are promptly brought to the attention of management and dealt with appropriately • The company has a team of in-house counsels in all major geographies it operates in. It also has a network of highly reputed global law firms in countries it operates in • There is a robust mechanism to track and respond to notices as well as defend the company's position in all claims and litigation
Currency volatility	Volatility in currency exchange movements results in transaction and translation exposure. TCS' functional currency is the Indian Rupee. Appreciation of the Rupee against any major currency could impact the reported revenue in Rupee terms, the profitability and also result in collection losses.	• TCS follows a currency hedging policy that is aligned with market best practices, to limit impact of exchange volatility on receivables, forecasted revenue and other current assets and liabilities • Hedging strategies are decided and monitored periodically by the Risk Management Committee of the Board convened on a regular basis
Breach of data protection laws	Data privacy and protection of personal data is an area of increasing concern globally. Legislations like GDPR in Europe carry severe consequences for non-compliance or breach. Many other countries are also enacting their Data Privacy regulations to ensure protection of personal data. Violation of data protection laws or security breaches can result in substantive liabilities, fines or penalties and reputational impact.	• A global privacy policy is in place covering all applicable geographies and areas of operations, which lays out the privacy principles within TCS • A Global Privacy Office is in place to oversee and deploy data privacy obligations and support initiatives across the enterprise. DPOs (Data Protection Officers) have been appointed for TCS entities in the UK and Ireland and in Europe as required by GDPR. Privacy leads have been appointed in all units.

Key Risks	Impact on the Company	Mitigation
		• Embedding privacy by design and privacy by default principles in development of new or changed internal processes or services or products. Robust and continued governance of personal data • Data protection controls and robust risk response mechanisms to cater to protection of personal data in the TCS ecosystem as well as protection of such data in client-managed networks in Global Delivery Centers • Industry standard data masking technologies to protect personal data in sensitive customer engagements, as applicable • Reviewing and negotiating vendor contracts to support compliance with privacy obligations • Mandatory online training and other workshops on data privacy and protection and on GDPR. Awareness campaigns through blog posts, email broadcasts, gamification and roadshows to foster a culture of responsibility among associates • Implementing and maintaining data transfer agreements, where required for the transfer of data across jurisdictions • Periodic reviews and audits to verify compliance to obligations.
Cyber attacks	Risks of cyber attacks are forever a threat on account of the fast-evolving nature of the threat. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.	• Investments in automated prevention and detection solutions, including perimeter security controls with advanced tools, enhanced internal vulnerability detection, data leak prevention tools, defined and tested incident management and recovery process in compliance with ISO 27001 standard • Compliance to security controls for cloud services as per ISO 27017:2015 / 27018 : 2014 standard • Continued reinforcement of stringent security policies and procedures

Key Risks	Impact on the Company	Mitigation
		• Collaboration with Computer Emergency Response Team (CERT) and other private Cyber Intelligence agencies, and enhanced awareness of emerging cyber threats • Enterprise wide training and awareness programs on Information Security with refresher courses • Strict access controls including dynamic passwords for secure access to enterprise applications and special handling of privileged administrator accounts. Rigorous access management for all cloud deployments • Encryption of data, data back-up and recovery mechanisms for ensuring business continuity • Ability to isolate TCS enterprise network from client network and defined escalation mechanisms to handle security incidents in client environment • Periodic rigorous testing to validate effectiveness of controls through vulnerability assessment and penetration testing • Internal and external audits and forensics
Non-compliance to complex and changing global regulations	As a global organization, the company has to comply with complex and changing laws and regulations across multiple jurisdictions, covering areas such as HR, Employment and Immigration, Taxation, Foreign Exchange & Export Controls, Health Safety and Environment (HSE), Anti Bribery and Corruption, Data Privacy etc. The fast pace of changes in the regulatory environment also requires quick understanding of their implications and adaptation in business operations. Failure to comply could result in penalties, reputational damage and criminal prosecution.	• Deployment of a comprehensive global compliance management framework that enables tracking of changes to applicable regulations globally, across various jurisdictions and functional areas and managing compliance obligations • Global regulatory compliance certification is fully digitized and covers compliance across all the locations of the company • Strong governance at executive and board level through compliance committees • Awareness through web-based compliance training courses for all staff and regular notifications/alerts on regulatory changes communicated to stakeholders.

Key Risks	Impact on the Company	Mitigation
Intellectual Property (IP) infringement	Risk of infringement of third-party IPs by TCS may lead to potential liabilities, increased litigation and impact on reputation. Inadequate protection of TCS' IP may lead to loss of IP leading to potential loss of ownership rights, revenue and value.	• Dedicated IP Management and Software Product Engineering group • TCS IP Protection: IP Safe assessment and readiness program governing the creation of proprietary software and other IP assets across all asset types, patent management and contract management, IP audits and integrated IP compliance checks for TCS products • IP Governance program that ensures that there is correct access and correct use of TCS IP, customer IP, partner IP and third-party IP in service and partner engagements • Employee engagement: Employee confidentiality agreement, training and awareness for IP protection and prevention of IP contamination and infringement. Tailored system to enable strict controls around movement of people and information across TCS' product teams and customer account teams

Internal Financial Control Systems and their Adequacy

TCS has aligned its current systems of internal financial control with the requirement of Companies Act 2013, on the lines of the globally accepted risk-based framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. The Internal Control – Integrated Framework (the 2013 framework) is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses. The company has successfully laid down the framework and ensured its effectiveness.

TCS' internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. TCS has a well-defined delegation of power with authority limits for approving contracts as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. TCS uses a state-of-the-art enterprise resource planning (ERP) system that connects all parts of the organization, to record data for accounting, consolidation and management information purposes. It has continued its efforts to align all its processes and controls with global best practices.

Our management assessed the effectiveness of the company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2020.

B S R & Co. LLP, the statutory auditors of TCS have audited the financial statements included in this annual report and have issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

TCS has appointed Ernst & Young LLP to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in the company's operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes including most of the subsidiaries and foreign branches.

TCS also undergoes periodic audit by specialized third party consultants and professionals for business specific compliances such as quality management, service management, information security, etc. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets TCS' statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), our audit committee has concluded that, as of March 31, 2020, our internal financial controls were adequate and operating effectively.

Performance Trend 10 yrs

Amounts in ₹ Crore	Ind AS					Indian GAAP					
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015*	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Revenues											
Total revenue	156,949	146,463	123,104	117,966	108,646	94,648	94,648	81,809	62,989	48,894	37,325
Revenue by geographic segments											
Americas	82,000	77,563	66,345	66,098	60,011	51,053	51,053	45,259	35,247	27,570	21,457
Europe	48,037	43,456	34,155	30,080	29,092	26,730	26,730	23,435	16,083	12,303	9,251
India	8,964	8,352	7,901	7,115	6,729	6,108	6,108	5,486	4,890	4,207	3,486
Others	17,948	17,092	14,703	14,472	12,814	10,757	10,757	7,629	6,089	4,790	3,131
Cost											
Employee cost	85,952	78,246	66,396	61,621	55,348	48,296	50,924	40,486	30,922	24,681	18,806
Other operating cost	28,888	28,711	24,192	24,034	22,621	19,242	19,242	16,170	13,027	9,776	7,341
Total cost (excluding interest & depreciation)	114,840	106,957	90,588	85,655	77,969	67,538	70,166	56,656	43,949	34,457	26,147
Profitability											
EBITDA (Before other income)	42,109	39,506	32,516	32,311	30,677	27,110	24,482	25,153	19,040	14,437	11,178
Profit before tax	42,248	41,563	34,092	34,513	31,840	28,437	25,809	25,402	18,090	13,923	11,021
Profit after tax attributable to shareholders of the company	32,340	31,472	25,826	26,289	24,270	21,912	19,852	19,164	13,917	10,413	9,068
Financial Position											
Equity share capital	375	375	191	197	197	196	196	196	196	196	196
Reserves and surplus	83,751	89,071	84,937	86,017	70,875	52,498	50,439	48,999	38,350	29,284	24,269
Gross block of property, plant and equipment	26,444	24,527	22,720	20,690	19,208	16,624	16,624	13,767	10,986	10,044	7,799
Total investments	26,356	29,330	36,008	41,980	22,822	1,662	1,662	3,451	1,807	1,850	1,703
Net current assets	63,177	70,047	63,396	65,094	47,644	30,726	28,495	27,777	19,734	12,673	9,790
Earnings per share in ₹											
EPS - as reported	86.19	83.05	134.19	133.41	123.18	111.87	101.35	97.67	71.99	53.07	46.27
EPS - adjusted for Bonus Issue	86.19	83.05	67.10	66.71	61.59	55.94	50.68	48.84	35.50	26.54	23.14
Headcount (number)											
Headcount (including subsidiaries) as on March 31st	448,464	424,285	394,998	387,223	353,843	319,656	319,656	300,464	276,196	238,583	198,614

Note : The company transitioned into Ind AS from April 1, 2016.

*Excluding the impact of one-time employee reward

OVERVIEW OF FUNDS INVESTED

Funds invested exclude earmarked balances with banks and equity shares measured at fair value through other comprehensive income.

(Amount in ₹ crore)

	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
	Current		Non-current		Total funds invested	
Investments in mutual funds, Government securities and others	**26,140**	29,091	**174**	181	**26,314**	29,272
Deposits with banks	**1,210**	6,161	**348**	-	**1,558**	6,161
Inter corporate deposits	**8,171**	7,667	**27**	58	**8,198**	7,725
Cash and bank balances	**8,241**	6,491	-	-	**8,241**	6,491
Total	**43,762**	49,410	**549**	239	**44,311**	49,649

Total invested funds include ₹1,195 crore and ₹907 crore for FY 2020 and 2019, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Ratio Analysis 10 yrs

		Ind AS					Indian GAAP					
Ratio Analysis	**Units**	**FY 2020**	**FY 2019**	**FY 2018**	**FY 2017**	**FY 2016**	**FY 2016**	**FY 2015**	**FY 2014**	**FY 2013**	**FY 2012**	**FY 2011**
Ratios - Financial Performance												
Employee Cost / Total Revenue	%	54.8	53.8	53.9	52.2	50.9	51.0	53.0	49.5	50.7	50.5	50.4
Other Operating Cost / Total Revenue	%	18.4	19.6	19.7	20.4	20.9	20.4	20.3	19.8	20.7	20.0	19.6
Total Cost / Total Revenue	%	73.2	73.4	73.6	72.6	71.8	71.4	74.1	69.3	71.4	70.5	70.0
EBITDA (before Other Income) / Total Revenue	%	26.8	27.0	26.4	27.4	28.2	28.6	25.9	30.7	28.6	29.5	30.0
Profit Before Tax / Total Revenue	%	26.9	28.4	27.7	29.3	29.3	30.0	27.3	31.1	28.7	28.5	29.5
Tax / Total Revenue	%	6.2	6.9	6.7	6.9	6.9	7.2	6.6	7.4	6.4	7.0	4.9
Effective Tax Rate - Tax / PBT	%	23.2	24.1	24.1	23.6	23.6	23.5	23.7	23.9	22.2	24.4	16.6
Profit After Tax / Total Revenue	%	20.6	21.5	21.0	22.3	22.5	23.2	21.0	23.4	22.1	21.3	24.5

Ratios - Growth

Total Revenue	%	7.2	19.0	4.4	8.6	14.6	15.7	15.7	29.9	28.6	31.0	24.3
EBITDA (before Other Income)	%	6.8	21.5	0.6	5.3	25.3	7.8	(2.3)	39.4	25.0	29.1	28.6
Profit After Tax	%	2.8	21.9	(1.0)	8.3	22.3	14.3	3.6	37.7	13.6	34.0	29.5

Ratios - Balance Sheet

Debt-Equity Ratio	Times	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Ratio	Times	3.3	4.2	4.6	5.5	4.1	3.9	2.4	2.7	2.7	2.2	2.4
Days Sales Outstanding (DSO) in $ terms	Days	71	68	74	70	81	79	79	81	82	86	80
Days Sales Outstanding (DSO) in ₹ terms	Days	67	69	74	75	80	78	78	87	87	81	87
Invested Funds / Capital Employed	%	47.2	53.5	53.9	54.6	44.2	38.0	43.5	43.0	36.4	34.1	36.3
Capital Expenditure / Total Revenue	%	2.0	1.6	1.5	1.7	1.8	3.1	3.1	3.3	4.2	4.1	4.9
Operating Cash Flows / Total Revenue	%	20.6	19.5	20.4	21.4	17.6	20.5	20.5	18.0	18.4	14.3	17.7
Free Cash Flows / Operating Cash Flow Ratio	%	90.5	92.5	92.0	92.3	89.7	84.8	84.8	78.9	77.5	71.5	72.3
Depreciation of Property, Plant and Equipment / Average Gross Block of Property, Plant and Equipment	%	9.6	10.5	9.3	9.5	10.0	11.7	11.7	10.8	10.2	10.7	10.5

		Ind AS					Indian GAAP					
Ratio Analysis	**Units**	**FY 2020**	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015*	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Ratios - Per Share												
EPS - adjusted for Bonus	₹	**86.19**	83.05	67.10	66.71	61.59	55.94	50.68	48.84	35.50	26.58	23.14
Price Earning Ratio, end of year	Times	**21.2**	24.1	21.2	18.7	20.4	22.8	25.1	21.0	22.1	22.0	25.6
Dividend Per Share	₹	**73.00**	30.00	50.00	47.00	43.50	79.00	79.00	32.00	22.00	25.00	14.00
Dividend Per Share - adjusted for Bonus	₹	**73.00**	30.00	25.00	23.50	21.75	39.50	39.50	16.00	11.00	12.50	7.00
Market Capitalization / Total Revenue	Times	**4.4**	5.3	4.4	4.1	4.6	5.3	5.3	5.1	4.9	4.7	6.2

FY 2020 PERFORMANCE OVERVIEW: SOCIAL CAPITAL

TCS' Corporate Social Responsibility (CSR)[3] commitment stems from the 151-year-old legacy of the Tata Group and the founder's vision that: In a free enterprise, the community is not just another stakeholder in business, but is in fact the very purpose of its existence.

TCS' vision is to empower communities by connecting people to opportunities in the digital economy. The company has focused on education, skilling, employability and village entrepreneurship, to help individuals and communities bridge the opportunity gap. In addition, it supports the health, wellness, water, sanitation and hygiene needs of communities.

The company's approach is to support large scale, sustainable, multi-year programs that build inclusive, equitable and sustainable pathways for youth, women and marginalized groups and which can have a strategic impact on the community. In India, these programs are aligned with the Government of India's Affirmative Action Policy and the Tata Group's Affirmative Action Program.

In FY 2020, the global community initiatives of TCS reached more than 840,000 beneficiaries.

TCS' purpose-driven worldview is shared by its employees who contribute their time and expertise for social and environmental causes in their local communities. In FY 2020, TCSers contributed more than 780,000 volunteering hours.

[3] 103-2, 103-3, 413-1

Education

Digital technologies are transforming every industry around the world. In this new world of work, companies across almost all sectors have the responsibility to develop talent that engages in computational thinking and innovation excellence and is digitally fluent.

In North America, *Ignite My Future in School (IMFIS)*, is a pioneering effort to empower educators through a transdisciplinary approach that integrates computational thinking into core subjects like English, Math, Science, Art, and Social Studies. Computational Thinking is a higher-level process, whereby students can learn how to collect and analyze data, find patterns, decompose complex problems, abstract, build models and develop algorithms - the fundamental building blocks of innovation in an increasingly digital world. The program also offers year-round assistance through its *Learning Leaders Network* - a responsive and involved nationwide network of teachers, *Community Nights* - an immersive and interactive event for students, teachers and families to experience the curriculum and *Days of Discovery* - an in-person professional development training for educators to meet with program experts and understand the curriculum.

Ignite My Future in School has engaged over 176,792 students in FY 2020.

TCS' volunteers work with Charlotte, NC middle school students, integrating computational thinking and Ignite My Future in School content

Pete Delgado is a middle school teacher from the El Paso Independent School District in Texas. One of the tools that Pete has to empower these students is Ignite My Future in School, which offers lesson plans and study material that weave computational thinking into core curriculum subjects like math, science and social studies.

"IMFIS provides a type of learning that goes beyond the classroom," says Pete. "It empowers students to apply computational and problem-solving thinking to all aspects of their lives and that's especially valuable because many of these students wouldn't have had access to this kind of learning before."

In addition to being a participating teacher, Pete is also a Learning Leader within the IMFIS teacher network. "I've been able to collaborate with educators across the US, Canada and Mexico," Pete explains, "which means students make my classroom a global citizen."

in India. TCS' *Lab on Bike* is providing a similar experience to teachers in government schools and children from low-income, disadvantaged communities. The program introduces novel learning opportunities that foster a scientific mind-set. The Lab on Bike instructors travel to government schools with a set of science experiment kits with which they demonstrate experiments in physics, chemistry and biology. The program has been implemented in 12 schools around Bengaluru, benefiting 1,217 students and 10 schools in Ahmedabad impacting 1,140 students.

A key issue confronting India is the lack of literacy, especially among adults. TCS empowers entire communities, especially those marginalized, by implementing the *Adult Literacy Program*, which creates access to literacy, enhances earning potential and unlocks the entrepreneurial spirit.

The *Adult Literacy Program* was set up to help the Government of India improve adult literacy rates, using the Computer Based Functional Literacy (CBFL) solution. Using the CBFL model, non-literate adult learners can achieve functional literacy (reading, writing, arithmetic) within 50 hours, over a period of three months, which is about 1/6th the time demanded by conventional learning methods. Learners acquire a vocabulary of 500 words, which when put into use, allow them to access essential government policies and form self-help groups and in some cases, even set up entrepreneurial ventures.

The CBFL software is available in nine Indian and three foreign languages. TCS fosters strategic partnerships with local governments, jail authorities, NGOs and other companies to enhance the reach. 143,323 learners were made literate across 17 states of India and in Burkina Faso, Western Africa in FY 2020.

Literacy remains an issue for millions of Indians, and women are impacted the most. In one example, 40-year-old Nurabai Patel had to rely on her husband to support their three daughters, because she lacked the basic literacy skills to earn an income herself.

This changed thanks to the Adult Literacy Program provided by TCS. After hearing about ALP, Nurabai enrolled in the program and attended regularly. ALP leverages the digital expertise of TCS to offer computer-based learning which quickly provided Nurabai with basic literacy skills.

She was instantly drawn to arithmetic and after completing the program, used her new-found skills to begin selling vegetables in her community. Her income grew to ₹ 300-400 a day, which provided much needed financial security for her family.

Nurabai also credits ALP with wealth you cannot measure, namely improved self-confidence, the respect of her friends and neighbors in the village, and the opportunity to become a role model and demonstrate how ALP can empower women just like her.

Skilling

Working in partnership with schools, universities, industry and the non-profit sector, TCS' various skills programs have helped youth realize they can both work in and help create the digital future of our world. In FY 2020, TCS reached over 310,000 students through these STEM initiatives.

goIT, which is TCS' flagship student engagement program, is implemented across markets (North America, LATAM, Europe, APAC and Australia) and is tailored in each region to meet the specific needs of that community.

goIT participants are introduced to computational thinking as a problem-solving framework, acquire the experience in critical evaluation while troubleshooting designs, improve their ability to cooperate and coordinate, and refine their communication skills through public presentations.

Students experience the use of technology through GoIT Girls at the Customer Experience Centre, Sydney, Australia

Students across the globe learn the steps to produce inventive technology-enabled solutions to real-life problems, then go a step ahead by benchmarking their solutions against those that exist in the market and finally presenting their solutions to experts within the field.

Mentorship forms a large part of the engagement, bringing in TCS associates and their expertise to the fore. Collaborating with TCS associates to develop their apps helps students visualize a future career and understand the pathways available to them. TCS combines its core capabilities of research excellence in consulting, technology expertise, skill-based volunteering and philanthropic investments into the program design of goIT.

goIT Reaches 12,000+ Students across the World: Key Highlights

In North America, the 3rd Annual goIT Student Technology Competition was held in partnership with the Toronto District School Board and the 4th annual goIT Regional Competition was hosted at the NYC Marathon pavilion.

TCS Norway conducted a four-week program for 9th graders at Jordal school in Oslo to introduce them to the possibilities within IT and help them explore career paths in technology.

TCS Singapore partnered with ITE West College (an educational institution under the Institute of Technical Education) to raise STEM awareness and to contribute to Singapore's transition into a Smart Nation. GoIT was the first program that was launched with ITE West College as a result.

TCS Australia's *GoIT Girls* program is a week-long work experience program aimed at female students in Years 10 and 11. The participants meet senior executives from TCS and from client organizations, who provide insight into the various STEM roles that exist across the business spectrum, with the hope of inspiring a new generation of innovators, problem solvers and technology professionals. The aim is to provide insight into and challenge stereotypes of the technology industry, particularly gender occupational stereotypes.

GoIT Challenge was held at the University of New South Wales. This initiative is designed to encourage high school students to immerse themselves in the world of technology and inspire them to think creatively to apply technological understanding to support the community around them. This year 29 schools across Australia registered for the program submitting over 40 projects. At the finals, the GoIT Challenge had a record of 11 teams showcasing technology solutions to community challenges.

In the United Kingdom and Ireland, the TCS *Digital Explorers* program offers young people an insight into the world of work in digital industries. The program is run in seven cities across the UK and aims to tackle the digital skills gap by giving young people from diverse backgrounds an opportunity to experience work and gain a real understanding of tech careers. Digital Explorers is rooted in a robust evidence-based intervention designed to engage young people with employers who otherwise would not have such an opportunity. Such interventions are shown to increase learning potential as well as lower the chances of becoming NEET (Not in Education, Employment or Training) as young adults. In FY 2020 more than 8,500 youth were directly engaged across 7 cities.

Young people at Digital Explorers learning how to code with Ozobots

LaunchPad provides foundational skills for technology jobs through a gamified learning of C++ and Python. This is provided to students in schools and universities through a free online course. Designed as a self-learning course, it focuses on improving the analytical and logical skills of students, and nurtures the concept of lifelong learning where students develop the essential skills of investing in their own learning journeys throughout their careers.

Insight orientation session conducted in Sairabama College for ~3,000 students.

Students learn next-generation competencies through a hands-on, experiential program linked to the International Space Station

The program dovetails into TCS' *InsighT* intervention which includes advanced programming concepts. *InsighT* provides access to quality programming courses in schools and colleges, thereby raising the quality of professionals accessible to the IT industry. This program is available online, is free of cost and covers advanced concepts in two months.

Drawing from the company's focus on providing experiential learning, in South Africa, hands-on technology and STEM learning pathways are created by connecting learners to the International Space Station (ISS). The ExoLab program allows students to conduct integrated STEM experiments alongside identical live experiments which are conducted at the ISS' national laboratory. This extraordinary exobiology experiment brings together classrooms and the ISS in a collaborative investigation of the effects of microgravity on living things.

With a focus on equity and inclusion, TCS has developed programs to enhance the capacity and utilize the potential of individuals with visual impairment. The Advanced Computer Training (ACTC) program, aided by technology and mentorship, provides training opportunities aimed at creating access to employment in highly skilled roles including those in the technology sector. ACTC offers courses that are in sync with industry requirements, subsequently providing trainees with employment opportunities.

Hardware training provided for ACTC candidates

Village Entrepreneurship

Around 300 million individuals in India belong to historically disadvantaged and marginalized communities. Lack of proper digital infrastructure, knowledge and resources in villages often prevent these communities from accessing the opportunities presented by the digital economy, making up the so-called digital divide. Implemented in 2014 in 6 villages of Jhansi district and later expanded across several states, BridgeIT was created in response to the need to address prevailing social inequities in India by empowering communities with digital knowledge and tools, enabling entrepreneurship and innovation.

Youth who undergo training through BridgeIT are empowered to take up digital entrepreneurship in their village. They also deploy Computer Aided Learning in local government schools and support literacy among adults using the CBFL modules. Till date, this program has developed 738 entrepreneurs across 315 rural locations in 4 states.

"If it wasn't for BridgeIT, I would never have seen so much success in my life."

Ujjwal Mondal pursued multiple post graduate degrees, but few opportunities existed for him to use his education back home in West Bengal. He worked for local NGOs for nearly nine years, but never earned more than ₹ 10,000 a month.

That changed, when Ujjwal applied for the BridgeIT program. He was equipped with laptops and software and

was also trained to provide valuable digital services to his community.

Ujjwal now earns revenue through various sources such as online banking, hardware / software sales and services, data entry work of government departments, carrying out NGO audits with the help of Subject Matter Experts and various other activities through the two shops he has set up in his locality.

Gaining access to the digital economy has economically empowered Ujjwal and his income has increased manifold. He is looking forward to developing new lines of revenue in the coming years. He is also seen as a community leader, as he provides employment to others in his village.

Ujjwal now feels more confident and respected in his community, and his neighbours speak proudly of what hasn't changed about him – how he remains kind hearted, gentle and always eager to help.

Digital Impact Square (DISQ), is an open social innovation center located in Nashik, Maharashtra, which encourages innovation using digital technologies to address social challenges. These challenges are drawn from the voice of citizens, domain experts, the local administration and government. The initiative fosters a culture of innovation through a series of sustained innovation cycles, provides an opportunity to bring research and technology from academia and business to life, and accelerate the journey of young innovators from being ideators to entrepreneurs.

Employment and Employability

Lack of access to industry relevant skills often has a negative impact on the employment aspects of students from rural and underserved areas. Through employment focused interventions, TCS helps undergraduate students from rural, socially and economically marginalized communities develop the necessary skills needed for a job.

Engineering students are trained on three modules covering business communication, general aptitude, and technical skills for a duration of 18-24 months (192 hours). Non-engineering students receive 100 hours of training on math, analytics, general knowledge, English, and computers. It introduces Business English, imparts corporate etiquette, improves soft skills, sharpens aptitude and strengthens core subjects pertinent to the industry. At the end of training, the youth are much better placed to gain employment.

In FY 2020, nearly **22,880** youth across India gained industry-relevant skills and **4,470** secured jobs in the services sector.

Sayali Deshmukh was encouraged to attend school and university by her parents, so she wouldn't face the same economic situation as them. She studied Electronics and Telecommunication Engineering at the Government College of Engineering and Research in Maharashtra but struggled to articulate her ideas when presenting to her class.

The solution came in the form of TCS' IT Employability Program. In her pre-final year at college, Sayali joined the program and learned valuable skills, like how to present her ideas in an interview or meeting.

Sayali then took part in the TCS National Qualifier Test prior to graduation and her hard work paid off. She was selected for a position with TCS upon graduation, wherein she spring-boarded right from college to the beginning of a bright new career in the IT industry.

"I had employment waiting for me before I graduated, and the interview skills sessions and role plays really helped me to improve my confidence and overcome my stage fright," says Sayali, who also encourages other rural students to join the program.

Graduates from rural communities are often described as "the invisible talent pool" because lack of confidence and communication skills hinder their access to the growing number of jobs in cities and urban centers.

The BPS Employability program is designed to bridge that gap, offering coaching and mentorship, and employment with TCS for suitable applicants.

Divya and Vidya both participated in this program. Twin sisters, they graduated with degrees from Mercy College, Palakkad, and while in school also enrolled in the program. Both took advantage of the coaching and mentorship, which transformed their confidence and communication skills. They met the criteria to work at TCS and have held positions there for more than a year.

"We moved to Bangalore, and while the journey wasn't easy, the learning was priceless," Vidya explains.

"This one chance TCS offered us, it changed our life," says Divya, who also credits their mother – a anganwadi (childcare) teacher – for pushing them to pursue education and embrace a new future filled with economic opportunity.

Thought Leadership, Research and Insights

TCS believes that companies across almost all sectors have the responsibility to develop talent that engages in computational thinking and innovation excellence, embrace diversity and support inclusion and provide access to underserved populations. The company's thought leadership initiatives address the opportunity gap through research, insights, advocacy and policy. Through these consultation forums, TCS has mobilized the public, private and not-for-profit sector to address gender, ethnic and socioeconomic inequalities, and has led discussions around pioneering solutions that will democratize learning and unlock opportunities.

Digital Empowers, a partnership between TCS and the U.S Chamber of Commerce Foundation, explores the ways in which technologies such as blockchain, cloud, Internet of Things, robotics, artificial intelligence, augmented reality/virtual reality, data analytics and human centered design can be leveraged to solve social issues including workforce development and education, food safety and distribution, microfinance, the opioid epidemic, community recycling, nonprofit capacity building, refugee resettlement, natural and human-made disasters, criminal justice reform and healthcare and bring greater access and equity to individuals and communities.

The Future Leaders Summit, organized as part of the TCS APAC Summit and now in its fourth year, brings together delegates from customer organizations who are identified as high performers and are passionate about harnessing the power of digital technologies to create a fairer, more inclusive society. The theme this year was 'Digital: empowering a sustainable world', and explored how digital technologies can empower communities across the world – how drones are helping to save endangered animals and protect forests in Australia, how technology is supporting a culture of health and wellbeing in Indigenous Australia with children being encouraged to become the next generation of innovators through STEM education.

Health

TCS' ***Digital Nerve Centre (DiNC)*** is a unique and innovative delivery model designed to connect, communicate, coordinate and deliver care by leveraging people, infrastructure and a robust digital platform. DiNC has opened new avenues of connection and real time communication at ***The Cancer Institute (CI) - Chennai and Tata Medical Center (TMC) - Kolkata.*** These two premier cancer hospitals are also part of the National Cancer Grid. The North-East region via the State Cancer Institute, Guwahati (Assam), is also leveraging DiNC for enhanced reach and accessibility.

In FY 2020, DiNC services expanded with a Virtual Tumor Board for quick diagnosis and expedited treatment. Currently, this service is operational at the Cancer Institute and Assam State Cancer Institute. Additionally, new services have been launched, such as international therapy notes in CI-Chennai and e-consultation services at TMC Kolkata.

Meanwhile, the TCS team has been supporting the Tata Memorial Hospital, Mumbai, locally with its online registration process and enquiries. This has significantly improved its availability with zero reported issues.

DiNC works at all level of healthcare – Tertiary, Secondary and Primary – leading to a well connected and integrated healthcare system. At the Primary Care level, DiNC is currently operating in Kolar, Karnataka and in Kullu, Himachal Pradesh. These states have roped in DiNC to facilitate Primary Healthcare Transformation for the identified districts, wherein DiNC-enabled Primary Healthcare Transformation has been helping augment key Primary Care programs and efforts.

Accompanied by a strong awareness mechanism – the Kaveri Cancer Drive, DiNC with its unique phygital approach of physical / human connect and cutting-edge digital technologies is slowly helping alleviate the issues of healthcare accessibility, care continuum and management for the rural / underprivileged. With DiNC, care seekers are able to access the right care, through the right healthcare center at the right time, which otherwise was a huge challenge for them.

The Tata Translational Cancer Research Centre (TTCRC) was set up in partnership with TMC in Kolkata. TTCRC aims to create an interactive environment for clinicians, scientists and the industry to work together to deliver a better future for cancer patients in India. TCS has been providing operational solutions for TTCRC since its inception. Clinicians, scientists and industry are developing partnerships at TTCRC so patients not only benefit from modern affordable cancer therapy but also from the cost-effective models of care.

Employee Engagement

TCS' Employee Volunteer Program channels the unique skillset of our employees and their energies to address some of the most pressing issues facing Education, Health, and Planet, in countries where we live and work. The programs below summarize the key partners and achievements of this work in the last year.

In North America, associates are directly involved in supporting the mission of our national partners, the American and Canadian Red Crosses, the American Heart Association, and Heart & Stroke Foundation. Since 2011, TCS has partnered with the American Heart Association in the United States and the Heart and Stroke Foundation in Canada, to fight heart disease and stroke. Annual initiatives such as Go Red for Women, Heart Walks, Big Bike events and Heart Month aid in fundraising and also increase awareness around cardiovascular research and public policy advocacy.

In the United Kingdom, ***The Wildlife Trust*** became TCS' new corporate charity partner. In this two-year partnership the focus is on employee mental health and wellbeing. The overall campaign theme of the partnership is 'Disconnect to reconnect', which raises awareness of the importance of disconnecting from our everyday digital lives and use nature to improve both mental and physical health.

Over 2,500 children returned to a new school due to the efforts and contributions of TCSers worldwide, who collaborated with 'Strong Mexico' campaign, developed to provide aid and support to the victims of the 2017 earthquake. TCS interventions enabled the building of a new school for the children of Cintalapa in Chiapas, Mexico.

This section is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section A: General information about the company

1. **Corporate Identity Number (CIN) of the Company:** *L22210MH1995PLC084781*
2. **Name of the Company:** *Tata Consultancy Services Limited*
3. **Registered address:** *9th Floor, Nirmal Building, Nariman Point, Mumbai - 400 021, India*
4. **Website:** *www.tcs.com*
5. **E-mail id:** *corporate.sustainability@tcs.com*
6. **Financial Year reported:** *April 1, 2019 to March 31, 2020*
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** *ITC CODE: A5249009 Product Description: Computer Software*
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):** *Consulting and Service Integration, Digital Transformation Services and Cognitive Business Operations*
9. **Total number of locations where business activity is undertaken by the Company:**
   (a) *Number of International Locations (Provide details of major 5): 72 delivery centers*

Region	# of Delivery Centers
UK and Ireland	20
Latin America	15
North America	19
Asia Pacific	12
Europe	6

   (b) Number of National Locations: 115
10. **Markets served by the Company - Local/State/National/International:** *North America, Latin America, United Kingdom and Ireland, Continental Europe, Asia Pacific, Middle East and Africa, and India*

Section B: Financial details of the company

1. **Paid up Capital (INR):** 375 crore
2. **Total Turnover (INR):** [illegible] crore
3. **Total profit after taxes (INR):** 33,260 crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** *2.0% of average net profit for previous three years in respect of standalone TCS (India initiatives only)*
5. **List of activities in which expenditure in 4 above has been incurred:**

Category CSR in India only)	₹ crore
Health and Wellness	175
Education and Skill Building	116
Environmental Sustainability	5
Disaster Relief	2
Contribution to Foundations/Trusts	303
Total	**602**

Including overseas spend, the company's total spending on Corporate Social Responsibility was ₹ [illegible] Crore

Section C: Other details

1. **Does the Company have any Subsidiary Company/ Companies?** *Yes*
2. **Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):** *Yes, 36 subsidiaries participated*
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]** *No.*

Section D: BR information

1. **Details of Director/Directors responsible for BR**

   (a) **Details of the Director/Directors responsible for implementation of the BR policy/policies**

   The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

DIN Number	Name	Designation
00121863	N Chandrasekaran	Chairman
00548091	O P Bhatt	Independent Director
07006215	N Ganapathy Subramaniam	Chief Operating Officer

   (b) **Details of the BR head**

   Name: Milind Lakkad

   Designation: Executive Vice President and CHRO

   Telephone number: 022 67789999

   E-mail id: corporate.sustainability@tcs.com

2. **Principle wise (as per NVGs) BR Policy/policies**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

   P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

   P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

   P3 Businesses should promote the wellbeing of all employees

   P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

   P5 Businesses should respect and promote human rights

   P6 Business should respect, protect, and make efforts to restore the environment

   P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

   P8 Businesses should support inclusive growth and equitable development

   P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

S.N.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy? Indicate the link for the policy to be viewed online?	Y*	Y*	Y*	Y**	Y*	Y***	Y*	Y*	Y*
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	Y	N	N	Y	N	N	Y

* TATA Code of Conduct ([illegible])

** CSR Policy ([illegible])

*** Environment Policy ([illegible])

3. **Governance related to BR**

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Seven Board Meetings were held during the year.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, the company publishes its Sustainability Report annually. In FY 2020, *the Sustainability Report is part of this Annual Report. The hyperlink is* [illegible]

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company?** *No*

   Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? *Yes*

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so**

   In FY 2020, 139 concerns from various stakeholders were received in the ethics channels. Of these, 136 (97.8%) were satisfactorily resolved upto March 31, 2020, and the remaining concerns were work in progress to be resolved following due process.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Three instances of work done by TCS that results in social or environmental good are:

   a) *Intelligent Speech to Text Solution: Verbose is an intelligent solution for the hearing impaired. It enables end-to-end speech to text conversion. It converts live lectures into real-time data that can be viewed in different formats such as animated video, comic strips, notes etc. More than 1,000 children are using the solution. It is also part of many "Assistive Conference" kits, for hearing-impaired conference attendees, to engage with conference content at their own pace.*

   b) *Research Scholarship Program: TCS Research Scholarship Program continues to support PhD scholars in Computer Science in India. In FY 2020, 40 new scholars were included in the program and a stipend hike was announced. TCS Researchers continue to mentor scholars who are a part of the program. The total number of scholars supported by the program is 222.*

   c) *Digital Impact Square - The Digital Impact Square, based in Nasik, provides internships to young innovators to build solutions that solve social problems using Digital technologies and human-centric design principles. The FY 2020 cohort had 50 innovators in 10 teams. Four DISQ initiatives moved to the sustain phase (successful exit from DISQ). Total 10 successful exits from DISQ so far. ₹ 6.2 crore was raised by DISQ startups and more than one lakh lives were impacted this year. Three new design schools joined DISQ this year.*

2. **For each such product, provide the following details in respect of resource used (Energy, Water, Raw material etc.) per unit of product (optional):**

   a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   Not applicable

   b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   Not applicable

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   (a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   Our suppliers sign the Supplier Code of Conduct and the Tata Code of Conduct. Our policy on supply chain sustainability can be found here: [illegible]

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?** *Yes*

   (a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

While the criteria for selection of goods and services is quality, reliability and price, TCS gives preference to small organizations, particularly promoted by entrepreneurs from socially backward communities.

Under the BridgeIT program, TCS has trained digital entrepreneurs who have established themselves as key resources in the villages within which they operate.

TCS promotes the exhibition and sale of goods produced by socially and economically underprivileged men/women supported by Non-Governmental Organizations. TCS facilitated stalls for organizations like Etasha Society and Maher to sell various products that were made by destitute and mentally challenged men and women from the slums of National Capital Region, Haryana and Maharashtra. TCS provided a platform for selling products made by the inmates of Tihar Jail and enabled their sale in Tata Power, Delhi as well.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so:**

   Yes. For more details please refer to the FY 2020 Performance Overview: Natural Capital which forms part of this Annual Report

Principle 3

1. **Please indicate the Total number of employees:** 448,464 *as on March 31, 2020*
2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:** 17,273 *as on March 31, 2020*
3. **Please indicate the Number of permanent women employees:** 162,220 *as on March 31, 2020*
4. **Please indicate the Number of permanent employees with disabilities:** 661 *as on March 31, 2020*
5. **Do you have an employee association that is recognized by management?** *Yes*
6. **What percentage of your permanent employees are members of this recognized employee association?** *0.03% (For India)*
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

   The company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder.

   During FY 2020, the company has received 86 complaints on sexual harassment, out of which 77 complaints have been resolved with appropriate action taken and 9 complaints remain pending as on March 31, 2020. Internal review is under progress for the pending complaints, following due process.

   There have been no complaints in other areas.

8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

   (a) Permanent Employees - 95%

   (b) Permanent Women Employees - 94%

   (c) Casual/Temporary/Contractual Employees - 64%

   (d) Employees with Disabilities - 95%

Principle 4

1. Has the company mapped its internal and external stakeholders? *Yes*
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. *Yes*
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   Yes. Please refer to the section on FY 2020 Performance Overview: Social Capital in this Annual Report for details on our Adult Literacy Program, Bridge IT, BPS/IT Employability programs, Advanced Computer Training Centre, etc.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The principles stated in our code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, joint venture, suppliers and all those who work with us.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No material complaint related to violation of fundamental human rights of individuals was received during the financial year.

Principle 6

1) Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The policy is applicable to TCS, its subsidiaries and vendors.

2) Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Yes. TCS' Environmental Policy is available on [illegible] Policy

3) Does the company identify and assess potential environmental risks? *Yes.*
4) Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Not Applicable

5) Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes. Please refer to the section on FY 2020 Performance Overview: Natural Capital in this Annual Report.

6) Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? *Yes*
7) Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. *None*

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Yes. National Association of Software and Services Companies (NASSCOM), Confederation of Indian Industries (CII), Federation of India Chambers of Commerce and Industry (FICCI), US India Business Council (USIBC), US Chamber of Commerce and Confederation of British Industry (CBI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):**

   Yes. TCS participates in consultations on governance and administration, sustainable business principles, inclusive development policies (with a focus on skill building and literacy), economic reforms and tax and other legislations. TCS uses the Tata Code of Conduct as a guide for its actions in influencing public and regulatory policy.

Principle 8

1. **Does the company have specified program/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof?**

   Yes. Please refer to the preceding section on FY 2020 Performance Overview: Social Capital in this Annual Report.

2. **Are the program/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

   TCS uses all of these modes.

3. **Have you done any impact assessment of your initiative?**

   Yes.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?** *₹ 755 crore, including overseas spend. For more details, please refer to Annexure II of Directors' Report in this Annual Report.*

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, monthly reports and follow-up field visits, telephonic and email communications are regularly carried out. The company has engaged highly trained employees to drive and monitor the CSR activities.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   8% of the complaints received are pending resolution as on March 31, 2020

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information):**

   Not Applicable

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so:**

   No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes

FY 2020 PERFORMANCE OVERVIEW: NATURAL CAPITAL

TCS views its responsibility for environmental stewardship seriously and has taken a 'beyond compliance' approach, setting a bold vision for environmental sustainability, articulated in the Environmental Policy. This translates into a strong focus on operational efficiency and concern for the environment across the organization and in the value chain.

The objective is to grow sustainably by successfully decoupling business growth and the impact on the environment from our operations, effectively doing more with less through better design, planning and operational efficiency. The company's environmental sustainability strategy is implemented through its policy, standardized processes, impact assessment, performance monitoring and strong partnerships with stakeholders, including employees.

TCS measures, manages and reports on energy, carbon, water and waste – the most material environmental aspects of its operations. The three key focus areas of the company's environmental strategy are:

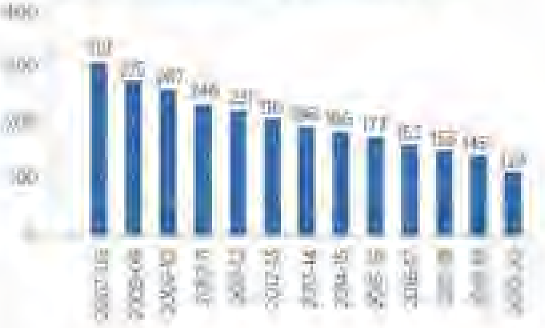
- Carbon footprint reduction: Energy efficiency and use of renewable energy
- Water management: Efficient use, recycling and rainwater harvesting
- Waste management: Reduction, Reuse and Recycling

Beyond its own footprint, the company also drives supply chain sustainability through responsible sourcing, covered elsewhere in this report.

TCS is certified under the ISO 14001:2015 Environmental Management System (EMS) standard, across 126 locations globally. The management system has integrated environmental risks and opportunities with TCS' business strategy.

Managing the Carbon Footprint[1]

Long before it became an established science, TCS embraced the precautionary principle and recognized carbon footprint mitigation as a high priority area[2]. With an operational footprint that consists largely of campuses of office blocks for the delivery organization and sales offices, direct emissions from operations – also referred to as Scope 1 emissions – are a very small part of the company's carbon footprint, amounting to just 6.5% of the overall carbon footprint. The rest is made up of indirect emissions, referred to as Scope 2 emissions, associated with purchased electricity[3].



Specific Electricity Consumption (KWH/FTE/MONTH)

Specific Scope 1 + Scope 2 Emissions (TCO2E/FTE/ANNUM)

[1] [illegible]

[2] [illegible]

[3] [illegible]

TCS has been able to reduce its specific energy consumption by over [illegible]% over baseline year FY 2008, and bring down its greenhouse gas emissions (Scope 1 + Scope 2)[illegible] from [illegible] tCO2e/FTE/Annum in FY 2008 to [illegible] tCO2e/FTE/Annum in the current reporting year, a reduction of 61.6%.

Compared to the prior year, the specific energy consumption is down [illegible]% and specific carbon footprint is down [illegible]% YoY. Additionally, absolute (Scope 1 + Scope 2) emissions have reduced by [illegible]% YoY[illegible], for the fourth consecutive year. Having achieved the previous target of halving the specific carbon footprint by 2020 (versus baseline year FY 2008) ahead of schedule, the company is now working on setting new targets for the next decade.

The Path to Energy Efficiency[illegible]

The reduction in specific energy consumption was achieved by adding more green buildings to the company's real estate portfolio, installing rooftop solar power plants across campuses, optimizing IT system power usage, upgrading legacy equipment with state-of-the-art technology, and improving operational efficiency through the in-house-built IoT-based Remote Energy Management System. All these efforts have resulted in year-on-year energy reduction, despite the growth in employees, commissioning of new facilities and ramping up within existing facilities.

Over 57% of the total office space currently occupied by TCS in India is designed as per green building standards. In FY 2020, the company added 2 MWp of rooftop solar taking the total on-site roof top solar capacity across its campuses to 7.6 MWp. This contributed 6.4 million units of electricity generated from in-house solar plants. About 53 million units of renewable energy were sourced in FY 2020 through power purchase agreements. Total renewable energy units generated from rooftop solar projects and sourced through power purchase agreements was ~10.1% of the total electricity consumption.

The company has saved ~11 million units of electricity by switching over to energy-efficient LED lighting across 90% of its operations in India. Over the last 5 years, TCS has been able to reduce the distributed IT power demand from 200 watts to 65 watts per seat. Data center power management initiatives have helped reduce the power utilization efficiency (PUE) of its 23 data centers to 1.66 (versus 1.67 in the prior year). Of the 23 data centers, 22 have achieved the target PUE of 1.65. Data center/server room consolidation, higher rack utilization, and UPS rationalization have been the key levers.

Other Emissions

Emissions of Ozone depleting substances are primarily in the form of system losses or fugitive emissions during maintenance and repair of air conditioning systems. TCS is committed to using zero ozone depleting potential (ODP) refrigerants in its operations. New facilities have HVAC systems based on zero-ODP refrigerants. All ODP refrigerant gases will be phased out and replaced with zero-ODP refrigerants, in line with country-specific timelines agreed to as per the Montreal Protocol and local regulations.

Value Chain Emissions

All other indirect emissions are accounted by TCS as Scope 3 emissions. These are also known as value chain emissions because they are caused by sources not owned or controlled by TCS, but are relevant to its operations and within its value chain. By applying an expansive boundary and using standard Scope 3 emission factors, the company estimates that value chain emissions amounted to 1.57 tCO2e per FTE in FY 2020.

The largest contributors, amounting to ~60%, were business travel intrinsic to the consultancy business model, and daily workplace commute of employees. TCS has been investing in superior communications and video conferencing infrastructure to promote greater collaboration across remote teams, and with lesser in-person attendance for meetings and business discussions. This has helped reduce

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[illegible]

[illegible]

[illegible]

the specific carbon footprint from business air travel by more than 67% over the baseline year and by 19% over FY 2019. This is expected to further dip in FY 2021 given the reduced travel and commute.

Water Conservation[1]

TCS optimizes water consumption through conservation, sewage treatment and reuse, and rainwater harvesting. All new campuses have been designed for 50% higher water efficiency, 100% treatment and recycling of sewage, and rainwater harvesting. Employee engagement also plays a big role in the company's water sustainability strategy. In FY 2020, consistent water management measures, consolidation of offices and increased occupancy of green-field centers helped reduce specific freshwater consumption by over 9% compared to FY 2019.

Of the 3.0 million kL[2] of fresh water consumed by TCS in FY 2020, 56% came from municipal sources, 28% from third party suppliers, 14% from groundwater, and 2% from rainwater harvest at its campuses. Consistent water efficiency measures have helped the company reduce freshwater consumption by over 27% over baseline year FY 2008. Total treated sewage recycled as a percentage of the total sewage generated was ~70% in FY 2020[3].

The company continues to pursue groundwater replenishment initiatives through on-campus rainwater harvesting systems, and community water shed management projects. TCS continues to support initiatives on surface water body rejuvenation at Siruseri in Chennai, Kasalganga in Solapur and Malgujari ponds in Vidarbha.

Waste Reduction and Reuse

As an IT services and consulting organization, TCS facilities mostly generate electronic, electrical, and office consumables waste and municipal solid waste. Generation of potentially hazardous wastes such as lead-acid batteries and waste lube oil is in relatively smaller proportions. In FY 2020, despite the growth in business, the company was able to achieve material reductions in the absolute quantities across all key wastes: paper wastes, cafeteria dry waste and canteen biodegradable waste.

Per capita paper consumption reduced by ~16% over the prior year and ~89% over the baseline year FY 2008. The success of this drive can be attributed to the awareness created among employees, and the enforcement of printing discipline through automated and manual means. TCS continues to achieve 100% recycling of its paper waste.

TCS' waste management practices seek to maximize segregation at source, as well as reuse and recycle as possible. All the hazardous and regulated waste is disposed of through government-authorized vendors as per the regulatory requirements. Engaging employees and raising their awareness to encourage responsible consumption is a key lever in the organization's strategy.

TCS' waste management practices

Biodegradable waste is treated onsite for biogas recovery or manure generation through bio-digesters or composting. All TCS campuses, owned offices and leased offices that have the required space have been provided with on-site food waste management facilities. In FY 2020, 72.6% of the total food waste generated across all TCS facilities was treated using onsite composting methods or bio-digester treatment. In locations lacking space for these systems, the waste is disposed of as fodder for livestock or sent to the municipal waste collection system.

Dry waste is categorized, segregated, and sent for recycling. Garden waste is composted onsite. Over 326 tons of compost were generated in FY 2020, reducing the need for chemical fertilizers and the resultant soil and groundwater pollution. Used printer cartridges and photocopier toner bottles are sent back to the manufacturers for proper disposal.

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[1] GRI 303-1, 2
[2] 303-3
[3] 303-4

Employee Engagement

TCS has a year-round calendar for engaging with employees to create environmental awareness and sensitizing them towards nature and conserving its resources. The company has run communication campaigns around World Bio-diversity Day, World Environment Week, World Ozone Day, Green Consumer Day, World Wildlife Week, Pollution Control Day, Energy Conservation Day, World Water Day and the Earth hour campaign.

The company's purpose-driven worldview inspires many employees to undertake volunteering in their local communities around environmental themes. A month-long campaign to encourage the elimination of single use plastic saw over 90,000 TCSers participate in 256 cleanliness drives and 130 awareness sessions in the community, across 90 cities in India. Elsewhere, employees at TCS Mexico participated in reforestation activities to save 'Guadalajara's lungs', planting saplings in designated areas to increase the green cover.

As part of the Tata Sustainability Month, the company ran a campaign to create awareness among employees on the UN Sustainable Development Goals, and inspire them to take small actions in their lives to contribute towards those goals. It saw participation by over 120,000 associates participate in such activities as plantation drives, cleanliness drives, cyclathon, walkathon, external sessions, clean (food) plate drive, community initiatives and several contests.

Corporate Governance Report

I. Company's Philosophy on Corporate Governance[1]

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark, inherited from the Tata culture and ethos.

The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the TCS Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code"). The Company has in place an Information Security Policy that ensures proper utilisation of IT resources.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

Details of TCS' board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

[1] 102-18

The various material aspects of corporate governance and TCS' approach to them are discussed in the table below.

Material Aspect	TCS' Approach
Avoidance of conflict of interest	Chairmanship of the Board is a non-executive position, and separate from that of the Chief Executive Officer and Managing Director. The Code of Conduct (https://www.tcs.com/tata-code-of-conduct) for non-executive directors, and for Independent Directors, carries explicit clauses covering avoidance of conflict of interest. Likewise, there are explicit clauses in the Tata Code of Conduct (TCoC) prohibiting any employee – including the Managing Director and executive directors – from accepting any position of responsibility, with or without remuneration, with any other organization without TCS' prior written approval. For executive directors and the Managing Director such approval must be obtained from the Board.
Board independence and minority shareholders' interests	The TCoC, which defines the governance philosophy at TCS, emphasizes fairness and transparency to all stakeholders. The Company also has a variety of channels including a structured global investor outreach program, through which minority shareholders can interact with the management or Board and express their concerns. Shareholders can communicate any grievance to the Company Secretary's office through a well-publicized channel, where complaints are tracked to closure. The Stakeholders' Relationship Committee oversees the redressal of these complaints. The Annual General Meeting is another forum where they can interact with the Board.
Values, Ethics and compliance	Over the last five decades, TCS has consistently adhered to the highest principled conduct and has earned its reputation for trust and integrity in the course of building a highly successful global business. The Company's core values are: Leading change, Integrity, Respect for the individual, Excellence, and Learning and sharing. TCoC, which every employee signs at the time of joining the Company, serves as a moral guide and a governing framework for responsible corporate citizenship. Periodic refresher courses are conducted to ensure continued awareness of the code, and employee communications from the leadership reiterate the importance of our values and the TCoC. Customers and suppliers are made aware of the TCoC principles in contract documents, and through inclusion of specific clauses in proposals and contracts. The TCS Supplier Code of Conduct is shared with suppliers as part of the procurement process and is published on the TCS website. Compliance to laws of the countries in which we operate, as well as global legislation such as FCPA, UKBA is monitored through formal compliance procedures led by the corporate compliance office. Changes to legislation are closely monitored, risks are evaluated and effectively managed across our operations. Avenues have been provided for all employees and stakeholders to report concerns or non-compliance which are investigated and addressed by following due process. At the apex level, the Audit Committee oversees compliance to internal policies and external regulations.

[illegible]

Material Aspect	TCS' Approach
Succession planning	Succession planning is an integral part of the operations of the Company. Succession planning of senior management is reviewed by the Board. Business or unit heads are invited to present on specific topics at Board meetings from time to time, offering an opportunity for the directors to assess their values, competencies and capabilities.

II. **Board of Directors**

i. As on March 31, 2020, the Company has nine Directors. Of the nine Directors, seven (i.e. 77.8 percent) are Non-Executive Directors out of which five (i.e. 55.6 percent) are Independent Directors. The profiles of Directors can be found on https://www.tcs.com/tcs-corporate-governance. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

ii. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other except N Ganapathy Subramaniam and N Chandrasekaran.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

iv. Seven Board meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

April 12, 2019; June 13, 2019; July 9, 2019; October 10, 2019; January 17, 2020; February 13, 2020 and March 30, 2020. The necessary quorum was present for all the meetings.

v. The names and categories of the Directors on the Board, their attendance at Board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Category	Number of Board Meetings attended during the FY 2020	Whether attended last AGM held on June 13, 2019	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
N Chandrasekaran (Chairman) DIN 00121863	Non-Independent, Non-Executive	7	Yes	5	-	-	-	1. Tata Steel Limited (Non-Independent, Non-Executive) 2. Tata Motors Limited (Non-Independent, Non-Executive) 3. Tata Consumer Products Limited (Formerly known as Tata Global Beverages Limited) (Non-Independent, Non-Executive) 4. The Tata Power Company Limited (Non-Independent, Non-Executive) 5. The Indian Hotels Company Limited (Non-Independent, Non-Executive)
Rajesh Gopinathan (Chief Executive Officer and Managing Director) DIN 06365813	Non-Independent, Executive	7	Yes	-	-	-	-	-
N Ganapathy Subramaniam (Chief Operating Officer and Executive Director) DIN 07006215	Non-Independent, Executive	7	Yes	1	-	-	-	Tata Elxsi Limited (Non-Independent, Non-Executive)
Aman Mehta* DIN 00009364	Independent, Non-Executive	2	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
Dr Ron Sommer* DIN 00621387	Independent, Non-Executive	2	Yes	N.A.	N.A.	N.A.	N.A.	N.A.

Name of the Director	Category	Number of Board Meetings attended during the FY 2020	Whether attended last AGM held on June 13, 2019	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
O P Bhatt** DIN 00548091	Independent, Non-Executive	7	Yes	-	4	2	4	1. Hindustan Unilever Limited (Independent, Non-Executive) 2. Tata Steel Limited (Independent, Non-Executive) 3. Tata Motors Limited (Independent, Non-Executive) 4. Aadhar Housing Finance Limited (Debt Listed) (Independent, Non-Executive)
Aarthi Subramanian DIN 07121802	Non-Independent, Non-Executive	7	Yes	-	5	1	1	Tata Capital Limited (Debt Listed) (Non-Independent, Non-Executive)
Dr. Pradeep Kumar Khosla DIN 03611983	Independent, Non-Executive	7	Yes	-	-	-	-	-
Hanne Sorensen DIN 08035439	Independent, Non-Executive	7	Yes	-	1	-	2	Tata Motors Limited (Independent, Non-Executive)
Keki Mistry DIN 00008886	Independent, Non-Executive	6	Yes	-	6	2	6	1. Housing Development Finance Corporation Limited (Executive Director) 2. Torrent Power Limited (Independent, Non-Executive) 3. HDFC Life Insurance Company Limited (Nominee, Non-Executive) 4. HDFC Asset Management Company Limited (Non-Independent, Non-Executive)
Don Callahan DIN 08326836	Independent, Non-Executive	7	Yes	-	-	-	-	-

* Ceased to be Directors w.e.f. June 26, 2019 upon completion of their term as Independent Directors.

** Re-appointed as Independent Director for a second term w.e.f. June 27, 2019.

Video conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.

vi. During FY 2020, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

vii. During FY 2020, one meeting of the Independent Directors was held on April 18, 2019. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.

ix. Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category	Number of equity shares
N Chandrasekaran	Non-Independent, Non-Executive	172,056
Aarthi Subramanian	Non-Independent, Non-Executive	5,600
Rajesh Gopinathan	Non-Independent, Executive	7,060
N Ganapathy Subramaniam	Non-Independent, Executive	107,760
Keki Mistry	Independent, Non-Executive	4,070

The Company has not issued any convertible instruments.

x. The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being an IT service provider, the Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

III. Committees of the Board

i. With effect from April 1, 2019, Ethics and Compliance Committee, Health Safety and Sustainability Committee, Software Technology Parks of India (STPI) / Special Economic Zone (SEZ) Committee, Bank Account Committee were dissolved and the Terms of Reference of these Committees have been transferred to the Statutory Committees. There are six Board Committees as on March 31, 2020, which comprises five statutory committees and one other non-statutory committee, details of which are as follows:

<table>
<tr><th>Name of the Committee</th><th>Extract of terms of reference</th><th colspan="2">Category and composition</th><th>Other details</th></tr>
<tr><td colspan="5" align="center">Statutory Committees</td></tr>
<tr><td rowspan="10">Audit Committee</td><td rowspan="10">Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.
• Oversight of financial reporting process.
• Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
• Evaluation of internal financial controls and risk management systems.
• Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
• Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
• To consider matters with respect to the Tata Code of Conduct, Anti-Bribery and Anti-Corruption Policy and Gifts Policy.</td><td>Name</td><td>Category</td><td rowspan="10">• Seven meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.
• Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors to be present at its meetings.
• The Company Secretary acts as the Secretary to the Audit Committee.
• Rajendra Moholkar is the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.
• Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.
• The previous AGM of the Company was held on June 13, 2019 and was attended by Aman Mehta, the then Chairman of the Audit Committee.</td></tr>
<tr><td>Keki Mistry (Chairman)*</td><td>Independent, Non-Executive</td></tr>
<tr><td>O P Bhatt</td><td>Independent, Non-Executive</td></tr>
<tr><td>Aarthi Subramanian</td><td>Non-Independent, Non-Executive</td></tr>
<tr><td>Dr Pradeep Kumar Khosla</td><td>Independent, Non-Executive</td></tr>
<tr><td>Hanne Sorensen**</td><td>Independent, Non-Executive</td></tr>
<tr><td>Don Callahan**</td><td>Independent, Non-Executive</td></tr>
<tr><td>Aman Mehta***</td><td>Independent, Non-Executive</td></tr>
<tr><td>Dr Ron Sommer****</td><td>Independent, Non-Executive</td></tr>
<tr><td colspan="2">* Appointed as a member w.e.f. April 12, 2019 and Chairman w.e.f. June 27, 2019 of this Committee.
** Appointed as a member of this Committee w.e.f. April 12, 2019.
*** Ceased to be a member and Chairman of this Committee consequent to the completion of his term as Independent Director w.e.f. June 26, 2019.
**** Ceased to be a member of this Committee consequent to the completion of his term as Independent Director w.e.f. June 26, 2019.</td></tr>
</table>

Name of the Committee	Extract of terms of reference	Category and composition	Other details
Nomination and Remuneration Committee	Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act • Recommend to the Board the setup and composition of the Board and its committees. • Recommend to the Board the appointment / re-appointment of Directors and Key Managerial Personnel. • Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. • Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees. • Oversee familiarisation programs for Directors.	**Name** — **Category** O P Bhatt (Chairman)* — Independent, Non-Executive N Chandrasekaran — Non-Independent, Non-Executive Aarthi Subramanian** — Non-Independent, Non-Executive Hanne Sorensen** — Independent, Non-Executive Aman Mehta*** — Independent, Non-Executive Dr Ron Sommer**** — Independent, Non-Executive * Appointed as Chairman of the Committee w.e.f. June 27, 2019 ** Appointed as a member of the Committee w.e.f. April 12, 2019 *** Ceased to be a member and Chairman of the Committee consequent to the completion of his term as Independent Director w.e.f. June 26, 2019 **** Ceased to be a member of the Committee consequent to the completion of his term as Independent Director w.e.f. June 26, 2019	• Three Nomination and Remuneration Committee meetings were held during the year under review. • The Company does not have any Employee Stock Option Scheme. • Details of Performance Evaluation Criteria and Remuneration Policy are provided at serial no. III(b) below. • The previous AGM of the Company was held on June 13, 2019 and was attended by Aman Mehta, the then Chairman of the Nomination and Remuneration Committee.

Name of the Committee	Extract of terms of reference	Category and composition	Other details
Stakeholders' Relationship Committee	Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. The broad terms of reference are as under: • Consider and resolve the grievances of security holders. • Consider and approve issue of share certificates, transfer and transmission of securities, etc. • Review activities with regard to the Health, Safety and Sustainability initiatives of the Company.	**Name** — **Category** Dr Pradeep Kumar Khosla* (Chairman) — Independent, Non-Executive Rajesh Gopinathan — Non-Independent, Executive Keki Mistry** — Independent, Non-Executive Dr Ron Sommer*** — Independent, Non-Executive N Ganapathy Subramaniam**** — Non-Independent, Executive * Appointed as Chairman of this Committee w.e.f. June 27, 2019. ** Appointed as a member of this Committee w.e.f. April 12, 2019. *** Ceased to be a member and Chairman of this Committee consequent to the completion of his term as Independent Director w.e.f. June 26, 2019. **** Ceased to be a member of this Committee w.e.f. April 12, 2019.	• Two meetings of the Stakeholders' Relationship Committee were held during the year under review. • Details of investor complaints and Compliance Officer are provided at serial no. III(g) below. • The previous AGM of the Company was held on June 13, 2019 and was attended by Dr Ron Sommer, the then Chairman of the Stakeholders' Relationship Committee.

<table>
<tr><th>Name of the Committee</th><th>Extract of terms of reference</th><th colspan="2">Category and composition</th><th>Other details</th></tr>
<tr><td rowspan="7">Corporate Social Responsibility ("CSR") Committee</td><td rowspan="7">Committee is constituted in line with the provisions of Section 135 of the Act:
• Formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
• Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
• Monitor the CSR Policy.</td><td>Name</td><td>Category</td><td rowspan="7">• Four meetings of the CSR Committee were held during the year under review.
• Four Board meetings of TCS Foundation, a Section 8 company which was incorporated with sole objective of carrying on Corporate Social Responsibility (CSR) activities of the Company were held during the year.</td></tr>
<tr><td>N Chandrasekaran (Chairman)</td><td>Non-Independent, Non-Executive</td></tr>
<tr><td>O P Bhatt</td><td>Independent, Non-Executive</td></tr>
<tr><td>N Ganapathy Subramaniam*</td><td>Non-Independent, Executive</td></tr>
<tr><td>Rajesh Gopinathan**</td><td>Non-Independent, Executive</td></tr>
<tr><td>Aarthi Subramanian**</td><td>Non-Independent, Non-Executive</td></tr>
<tr><td colspan="2">* Appointed as a member of this Committee w.e.f. April 12, 2019
** Ceased to be a member of this Committee w.e.f. April 12, 2019</td></tr>
</table>

Name of the Committee	Extract of terms of reference	Category and composition		Other details
		Name	**Category**	
Risk Management Committee ("RMC")	Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. • Formulate, monitor and review risk management policy and plan, inter alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks, data privacy risks and intellectual property infringement's risks. • Approve addition / deletion of banks from time to time for carrying out Treasury transactions and delegate the said power to such person as may deem fit.	Keki Mistry* (Chairman)	Independent, Non-Executive	• Four meetings of the RMC were held during the year under review. • Fortnightly reports on management of foreign exchange risks are made available to the members of the RMC.
		Don Callahan**	Independent, Non-Executive	
		Rajesh Gopinathan	Non-Independent, Executive	
		N Ganapathy Subramaniam**	Non-Independent, Executive	
		O P Bhatt^	Independent, Non-Executive	
		Aarthi Subramanian^^	Non-Independent, Non-Executive	
		Ramakrishnan V	Chief Financial Officer	
		* Appointed as a member and Chairman of this Committee w.e.f. April 12, 2019. ** Appointed as a member of this Committee w.e.f. April 12, 2019. ^ Ceased to be a member and Chairman of the Committee w.e.f. April 12, 2019. ^^ Ceased to be a member of the Committee w.e.f. April 12, 2019.		

Name of the Committee	Extract of terms of reference	Category and composition		Other details
Other Committees				
Executive Committee	Detailed review of the following matters which form part of terms of Executive Committee, were presented to the Board: • Business and strategy review; • Long-term financial projections and cash flows; • Capital and revenue budgets and capital expenditure programmes; • Acquisitions, divestments and business restructuring proposals; • Senior management succession planning; • Any other item as may be decided by the Board.	**Name**	**Category**	• The said matters were discussed in various Board meetings held during the year under review in the presence of the Executive Committee Members with the intent to avail expertise of all Board members.
		N Chandrasekaran (Chairman)	Non-Independent, Non-Executive	
		Rajesh Gopinathan	Non-Independent, Executive	
		Dr Ron Sommer*	Independent, Non-Executive	
		* Ceased to be a member of this Committee consequent to the completion of his term as Independent Director w.e.f. June 26, 2019		

The terms of reference of these committees are available on the website (https://www.tcs.com/in-corporate-governance)

II. **Stakeholders' Relationship Committee–other details**

a. Name, designation and address of Compliance Officer:

Rajendra Moholkar
Company Secretary
Tata Consultancy Services Limited
9th Floor, Nirmal Building
Nariman Point, Mumbai 400 021
Telephone: 91 22 6778 9595

b. Details of investor complaints received and redressed during FY 2020 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
1	99	100	-

III. **Nomination and Remuneration Committee - other details**

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgement.

Remuneration Policy:

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the IT industry.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members and are effective April 1, each year.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Managing Director and each Executive Director.

The Company pays sitting fees of ₹30,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Company also pays commission to the Non-Executive Directors within the ceiling of 1 percent of the net profits of the Company as computed under the applicable provisions of the Act, with the approval of the Members. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The Remuneration policy is available on https://on.tcs.com/remuneration-policy.

iv. **Details of the Remuneration for the year ended March 31, 2020:**

a. **Non-Executive Directors:**

(₹ lakh)

Name	Commission	Sitting fees
N Chandrasekaran, Chairman@	-	4.20
Aman Mehta*	60.00	1.00
Dr Ron Sommer*	50.00	1.00
O P Bhatt	200.00	6.90
Aarthi Subramanian@@	-	5.40
Dr Pradeep Kumar Khosla	140.00	5.10
Hanne Sorensen	140.00	4.80
Keki Mistry	140.00	5.10
Don Callahan	140.00	5.10
Total	**880.00**	**40.20**

@ As a policy, N Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

* Ceased to be Directors w.e.f. June 26, 2019 upon completion of their term as Independent Directors.

@@ In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata company.

b. **Managing Director and Executive Director**

(₹ lakh)

Name of Director	Salary	Benefits, perquisites and allowances	Commission	ESPS
Rajesh Gopinathan Chief Executive Officer and Managing Director (w.e.f. February 21, 2017 for a period of 5 years)	135.90	202.04	1,000.00	-
N Ganapathy Subramaniam Chief Operating Officer and Executive Director (w.e.f. February 21, 2017 for a period of 5 years)	129.18	187.51	700.00	-

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Services of the Managing Director and Executive Director may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance pay.

v. **Number of committee meetings held and attendance records**

Name of the Committee →	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
No. of meetings held →	7	3	2	4	4
Date of meetings →	April 12, 2019; June 13, 2019; July 9, 2019; August 13, 2019; October 10, 2019; January 17, 2020 and February 13, 2020	April 17, 2019; January 17, 2020 and February 13, 2020	July 9, 2019 and January 16, 2020	April 11, 2019; July 16, 2019; October 25, 2019 and February 11, 2020 #	April 4, 2019; June 13, 2019; October 9, 2019 and January 16, 2020
No. of meetings attended					
Name of Member					
N Chandrasekaran	–	3	–	4	–
Rajesh Gopinathan*	–	–	2	1	4
Aman Mehta**	2	1	–	–	–
Dr Ron Sommer***	7	1	–	–	–
O P Bhatt^	7	3	–	4	1
N Ganapathy Subramaniam^^	–	–	–	3	3
Aarthi Subramanian^^^	7	2	–	1	1
Dr Pradeep Kumar Khosla	7	–	2	–	–
Hanne Sorensen#	6	2	–	–	–
Keki Mistry##	6	–	2	–	3
Don Callahan###	6	–	–	–	3

Name of the Committee ⟶	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
No. of meetings held ⟶	[illegible]	3	2	4	4
Date of meetings ⟶	April 12, 2019; June 13, 2019; July 4, 2019; August 13, 2019; October 10, 2019; January 17, 2020 and February 13, 2020	April 12, 2019; January 17, 2020 and February 13, 2020	July 9, 2019 and February 10, 2020	April 11, 2019; July 10, 2019; October 25, 2019 and February 11, 2020 #	April 8, 2019; June 13, 2019; October 9, 2019 and January 16, 2020
No. of meetings attended					
Ramakrishnan V		-		-	4
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings.				

* Rajesh Gopinathan ceased to be a member of Corporate Social Responsibility Committee w.e.f. April 12, 2019.

** Aman Mehta ceased to be Chairman of Audit Committee and Nomination and Remuneration Committee consequent to the completion of his term as Independent Director w.e.f. June 26, 2019.

*** Dr Ron Sommer ceased to be Chairman of Stakeholders' Relationship Committee and member of Audit Committee and the Nomination and Remuneration Committee w.e.f. June 26, 2019 consequent to the completion of his term as Independent Director of the Company.

^ O P Bhatt ceased to be a member of Risk Management Committee w.e.f. April 12, 2019 and was appointed as Chairman of Nomination and Remuneration Committee w.e.f. June 27, 2019.

^^ N Ganapathy Subramaniam was appointed as a member of Risk Management Committee and Corporate Social Responsibility Committee and ceased to be a member of Stakeholder Relationship Committee w.e.f. April 12, 2019.

^^^ Aarthi Subramanian was appointed as member of Nomination and Remuneration Committee and ceased to be a member of Corporate Social Responsibility Committee and Risk Management Committee w.e.f. April 12, 2019.

\# Hanne Sorensen was appointed as a member of Audit Committee and Nomination and Remuneration Committee w.e.f. April 12, 2019.

\## Keki Mistry was appointed as a member of Audit Committee, Stakeholders' Relationship Committee and Risk Management Committee w.e.f. April 12, 2019 and Chairman of Audit Committee and Risk Management Committee w.e.f. June 27, 2019 and April 12, 2019 respectively.

(iii) Don Callahan was appointed as a member of Audit Committee and of Risk Management Committee w.e.f. April 12, 2019.

(iv) TCS Foundation, a Section 8 company incorporated in 2015 with sole objective of carrying on Corporate Social Responsibility (CSR) activities of the Company, has held four meetings during the FY 2020.

IV. General Body Meetings

i. General Meeting

a. Annual General Meeting ("AGM"):

Financial Year	Date	Time	Venue
2017	June 16, 2017	3.30 p.m.	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020
2018	June 15, 2018		
2019	June 13, 2019		

b. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2020.

c. Special resolution:

Special resolution for re-appointment of O P Bhatt as an Independent Director was passed at the AGM held in 2019 and no special resolution was passed in the previous AGMs held in 2017 and 2018.

d. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

No postal ballot was conducted during the FY 2020.

e. Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM require passing of a special resolution through postal ballot.

V. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

VI. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W - 100022) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

(₹ lakh)

Particulars	Amount
Services as statutory auditors (including quarterly audits)	729.5
Tax audit	53.4
Services for tax matters	20.5
Other matters	402.8
Re-imbursement of out-of-pocket expenses	70.6
Total	**1,276.8**

VII. Other Disclosures

Particulars	Regulations	Details	Website link for details/policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2020 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.	https://on.tcs.com/RPT
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years.	Schedule V (C) 10(b) to the SEBI Listing Regulations	Nil	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	https://on.tcs.com/WBP
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	• A message from the Chief Executive Officer and Managing Director on the half yearly financial performance of the Company including a summary of the significant events in the six month period ended September 30, 2019 was sent to every member in October 2019. • The auditors' report on financial statements of the Company are unmodified. • Internal auditors of the Company make quarterly presentations to the audit committee on their reports.	

Particulars	Regulations	Details	Website link for details/policy
Subsidiary companies	Regulation 24 of the SEBI Listing Regulations	The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.	https://on.tcs.com/Subsidiary
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted this policy.	https://on.tcs.com/Material
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted this policy.	https://on.tcs.com/Archival
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/ Cir- 16/2002 dated December 31, 2002	A qualified practising Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.	https://www.tcs.com/corporate-governance

Particulars	Regulations	Details	Website link for details/policy
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2020. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management.	https://www.tcs.com/tata-code-of-conduct
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	A regular annual dividend generally consists of three interim dividends after each of the first three quarters of the fiscal year, topped up with a final dividend after the fourth quarter. In addition, every second or third year, the accumulated surplus cash has been returned to shareholders through a special dividend.	https://on.tcs.com/Dividend
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website.	https://on.tcs.com/AppID
Familiarisation Program	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarisation program imparted to Independent Directors are available on the Company's website.	https://on.tcs.com/Familiarization
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013		The details have been disclosed in the Business Responsibility Report forming part of the Annual Report.	

VIII. Means of Communication

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include The Indian Express, Financial Express, Loksatta, Business Standard, The Hindu Business Line, Hindustan Times and Sandesh. The results are also displayed on the Company's website www.tcs.com. Statutory notices are published in *The Free Press Journal*, Business Standard and Navshakti. The Company also issues press releases from time to time. Financial results, statutory notices, press releases and presentations made to the institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website. Frequently Asked Questions (FAQs) giving details about the Company and its shares is uploaded on the Company's website https://www.tcs.com/investor-relations. A Management Discussion and Analysis report is a part of this Annual Report.

IX. General shareholder information

i. Annual General Meeting for FY 2020

Date	June 11, 2020
Time	3.30 p.m.
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

ii. Financial Calendar

Year ending	March 31
AGM in	June
Dividend Payment	The final dividend, if approved, shall be paid/credited on June 15, 2020

iii. Date of Book Closure / Record Date : As mentioned in the Notice of this AGM

iv. Listing on Stock Exchanges :

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex
Bandra (East), Mumbai 400 051

BSE Limited
P. J. Towers, Dalal Street, Mumbai 400 001

v. Stock Codes / Symbol

NSE	TCS
BSE	532540

Listing Fees as applicable have been paid.

vi. Corporate Identity Number (CIN) of the Company: L22210MH1995PLC084781

vii. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the FY 2020 on NSE and BSE:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr-2019	2,260.85	2,014.50	67,089,629	2,254.95	2,015.75	3,232,471
May-2019	2,215.40	2,048.60	60,180,346	2,214.40	2,049.65	2,859,620
Jun-2019	2,277.95	2,166.10	46,290,338	2,279.00	2,166.40	2,060,686
Jul-2019	2,252.10	2,065.95	60,441,637	2,252.75	2,065.60	8,300,015
Aug-2019	2,276.30	2,163.00	44,449,609	2,275.10	2,163.50	2,088,400
Sep-2019	2,251.60	2,015.80	56,752,600	2,252.75	2,014.75	2,989,320
Oct-2019	2,269.65	1,986.85	73,272,420	2,270.20	1,983.05	7,513,996
Nov-2019	2,201.85	2,046.65	50,254,776	2,202.05	2,046.90	2,341,916
Dec-2019	2,231.70	2,087.05	86,634,318	2,232.45	2,087.10	3,710,789
Jan-2020	2,254.25	2,079.05	63,470,517	2,255.05	2,079.30	2,480,473
Feb-2020	2,215.75	2,060.05	50,645,330	2,215.50	2,060.95	7,264,640
Mar-2020	2,125.05	1,636.35	115,641,660	2,124.90	1,636.10	6,405,600

viii. Performance of the share price of the Company in comparison to the BSE Sensex:

ix. Registrars and Transfer Agents

Name and Address	TSR DARASHAW CONSULTANTS PRIVATE LIMITED (formerly known as TSR Darashaw Limited*) 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011
Telephone	022 6656 8484
Fax	022 6656 8494
E-mail	csg-unit@tsrdarashaw.com
Website	www.tsrdarashaw.com

*Pursuant to the De-merger, the Registry business of TSR Darashaw Limited stands transferred to a new entity TSR Darashaw Consultants Private Limited ("TCPL") with effect from May 28, 2019.

x. Places for acceptance of documents

Documents will be accepted at the above address between 10:00 a.m. and 3:30 p.m. (Monday to Friday except bank holidays).

For the convenience of the shareholders, documents will also be accepted at the following branches / agencies of TCPL:

a. Branches of TCPL:

- Bengaluru
  503, Barton Centre, 5th Floor
  84, Mahatma Gandhi Road
  Bengaluru 560 001
  Telephone: 080 2532 0321
  Fax: 080 2558 0019
  E-mail: tcplbang@tcplindia.co.in

- Jamshedpur
  'E' Road, Northern Town
  Bistupur
  Jamshedpur 831 001
  Telephone: 0657 2426616
  Fax: 0657 2426937
  E-mail: tcpljsr@tcplindia.co.in

- Kolkata
  Tata Centre, 1st Floor
  43, J. L. Nehru Road
  Kolkata 700 071
  Telephone: 033 2288 3087
  Fax: 033 2288 3062
  E-mail: tcplcal@tcplindia.co.in

- New Delhi
  2/42, Ansari Road, 1st Floor
  Daryaganj, Sant Vihar
  New Delhi 110 002
  Telephone: 011 2327 1805
  Fax: 011 2327 1802
  E-mail: tcpldel@tcplindia.co.in

b. Agent of TCPL:

Shah Consultancy Services Limited
3, Sumatinath Complex,
2nd Dhal, Pritam Nagar,
Ellisbridge, Ahmedabad 380 006
Telefax: 079 2657 6038
E-mail: shahconsultancy8154@gmail.com

xi. Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

xii. **Shareholding as on March 31, 2020:**

a. **Distribution of equity shareholding as on March 31, 2020:**

Number of shares	Holding	Percentage to capital	Number of accounts	Percentage to total accounts
1 - 100	20,315,961	0.5	665,329	74.5
101 - 500	39,477,212	1.1	189,237	21.2
501 - 1000	15,092,620	0.4	20,556	2.3
1001 - 5000	27,540,749	0.7	14,188	1.6
5001 - 10000	10,258,207	0.3	1,464	0.2
10001 - 20000	9,076,541	0.2	637	0.1
20001 - 30000	6,327,203	0.2	258	-
30001 - 40000	4,943,531	0.1	142	-
40001 - 50000	4,314,167	0.1	95	-
50001 - 100000	23,478,095	0.6	325	-
100001 - above	3,595,489,550	95.8	907	0.1
GRAND TOTAL	**3,752,384,706**	**100.0**	**893,446**	**100.0**

b. **Categories of equity shareholding as on March 31, 2020:**

Category	Number of equity shares held	Percentage of holding
Promoters	2,702,450,947	72.0
Other Entities of the Promoter Group	1,091,053	-
Mutual Funds and UTI	95,690,095	2.6
Banks, Financial Institutions, States and Central Government	4,276,227	0.1
Insurance Companies	201,748,420	5.4
Foreign Institutional Investors and Foreign Portfolio Investors - Corporate	590,620,684	15.7
NRI's / OCB's / Foreign Nationals	5,309,647	0.1
Corporate Bodies / Trust	23,696,580	0.6
Indian Public and Others	126,384,775	3.4
Alternate Investment Fund	1,820,560	0.1
IEPF account	307,900	-
GRAND TOTAL	**3,752,384,706**	**100.0**

c. **Top ten equity shareholders of the Company as on March 31, 2020:**

Sr. No.	Name of the shareholder*	Number of equity shares held	Percentage of holding
1	Tata Sons Private Limited	2,702,450,947	72.0
2	Life Insurance Corporation of India	157,538,396	4.2
3	Invesco Oppenheimer Developing Markets Fund	30,045,090	0.8
4	SBI Mutual Fund	26,429,597	0.7
5	Axis Mutual Fund Trustee Limited	16,609,800	0.4
6	Government Of Singapore	16,012,259	0.4
7	Vanguard Total International Stock Index Fund	15,272,079	0.4
8	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	13,199,846	0.4
9	ICICI Prudential Life Insurance Company Limited	12,868,107	0.3
10	First State Investments Icvc-Stewart Investors Asia Pacific Leaders Fund	12,357,720	0.3

* Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

xiii. Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.97 percent of the Company's equity share capital are dematerialized as on March 31, 2020. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE467B01029.

xiv. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

xv. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

xvi. Equity shares in the suspense account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2019	26	1,640
Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Shareholders to whom shares were transferred from the suspense account during the year	-	-
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	26	1,640

*The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

xvii. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website (https://on.tcs.com/IEPF).

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 years, of the Company, erstwhile TCS e-Serve Limited and CMC Limited (since amalgamated with the Company). Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2020 are as follows:

Financial year	Amount of unclaimed dividend transferred (₹ lakh)	Number of shares transferred
2011-12	173.5*	35,251
2012-13	73.2	19,535
TOTAL	**246.7**	**54,786**

*Includes final dividend of erstwhile TCS e-Serve Limited and erstwhile CMC Limited.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

a. **For shareholders of Tata Consultancy Service Limited (TCS):**

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2012-13	June 20, 2013	July 20, 2020
2013-14	July 18, 2013	August 18, 2020
	October 15, 2013	November 14, 2020
	January 16, 2014	February 16, 2021
	June 27, 2014	July 27, 2021
2014-15	July 17, 2014	August 18, 2021
	October 16, 2014	November 16, 2021
	January 15, 2015	February 15, 2022
	June 30, 2015	July 30, 2022
2015-16	July 9, 2015	August 9, 2022
	October 13, 2015	November 12, 2022
	January 12, 2016	February 11, 2023
	June 17, 2016	July 17, 2023
2016-17	July 14, 2016	August 15, 2023
	October 13, 2016	November 16, 2023
	January 12, 2017	February 12, 2024
	June 16, 2017	July 16, 2024

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2017-18	July 13, 2017	August 13, 2024
	October 12, 2017	November 12, 2024
	January 11, 2018	February 10, 2025
	June 15, 2018	July 15, 2025
2018-19	July 10, 2018	August 9, 2025
	October 11, 2018	November 10, 2025
	January 10, 2019	February 9, 2026
	June 13, 2019	July 13, 2026
2019-20	July 9, 2019	August 8, 2026
	October 10, 2019	November 9, 2026
	January 17, 2020	February 16, 2027
	March 10, 2020	April 9, 2027

b. **For shareholders of erstwhile TCS e-Serve Limited which has merged with the Company:**

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2013-14	May 30, 2013	July 5, 2020

c. **For shareholders of erstwhile CMC Limited which has merged with the Company:**

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2012-13	June 25, 2013	July 25, 2020
2013-14	June 23, 2014	July 22, 2021
2014-15	June 11, 2015	July 10, 2022
2015-16	July 16, 2015	August 18, 2022

xviii. Plant locations:

In view of the nature of the Company's business viz. Information Technology (IT) Services and IT Enabled Services, the Company operates from various offices in India and abroad. The Company has a manufacturing facility at 17-B, Tivim Industrial Estate, Karaswada, Mapusa, Bardez, Goa 403 526.

xix. Address for correspondence:

Tata Consultancy Services Limited

9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

Telephone: 91 22 6778 9595

Designated e-mail address for Investor Services: investor.relations@tcs.com

For queries on BRR related matters: [illegible]@tcs.com

Website: www.tcs.com

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Global Head - HR, Global Business Unit Heads, Global Head - Legal and the Company Secretary as on March 31, 2020.

Rajesh Gopinathan

Chief Executive Officer and Managing Director

Mumbai, April 16, 2020

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Tata Consultancy Services Limited

We have examined the compliance of the conditions of Corporate Governance by Tata Consultancy Services Limited
("the Company") for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P N Parikh
Partner
FCS No: 327 CP No: 1228
Mumbai, April 16, 2020 UDIN: F000327B000146686

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Tata Consultancy Services Limited
9th Floor, Nirmal Building,
Nariman Point, Mumbai 400 021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tata Consultancy Services Limited** having CIN **L22210MH1995PLC084781** and having registered office at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021 (hereinafter referred to as 'the Company'), produced before me / us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company *
1.	N Chandrasekaran	00121863	September 6, 2007
2.	Rajesh Gopinathan	06365813	February 21, 2017
3.	N Ganapathy Subramaniam	07006215	February 21, 2017
4.	O P Bhatt	00548091	April 2, 2012
5.	Aarthi Subramanian	07121802	March 12, 2015
6.	Dr Pradeep Kumar Khosla	03611983	January 11, 2018
7.	Hanne Sorensen	08035439	December 18, 2018
8.	Keki Mistry	00008886	December 18, 2018
9.	Don Callahan	08326083	January 10, 2019

*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P N Parikh
Partner
FCS No. 327 / CP No. 1228
Mumbai, April 16, 2020 UDIN: F000327B000148616

Awards and Accolades

Leadership

- Ranked **#1 in Customer Satisfaction** in the Whitelane Research 2019/2020 IT Sourcing Study, which surveyed more than 1,600 CxOs of the top IT spending organizations in Europe. TCS has been voted to this top spot by customers for the **seventh consecutive year**.
- Won **CNBC-TV18**'s **'Iconic Company of the Decade'** award. Rajesh Gopinathan, CEO & MD, TCS, received the **'Outstanding Business Leader of the Year'** award at the 15th edition of the **India Business Leader Awards**.
- Ranked **Overall Best Managed Company in Asia** in the technology sector, in **FinanceAsia's 2020 Asia's Best Companies** survey of investors across the region. TCS also won five awards in the India rankings, including #1 ranking in **Best Environmental Stewardship** and Most **Committed to Social Causes**.
- Voted the **Overall Most Outstanding Company** in India by investors across the region **in Asiamoney's 2019 Asia's Outstanding Companies** poll. Additionally, TCS was recognized as the **most awarded company of the decade** in India for topping Asiamoney's investor polls most number of times over the last 10 years.
- Won the **'Best Risk Management Framework & Systems - Business Continuity'** Award presented by **ICICI Lombard and CNBC-TV18** for the robust business continuity framework and systems implemented across the organization.
- Recognized as the **fastest growing IT services brand of the decade** and one of the fastest growing IT services brands of 2019, by **Brand Finance**, in its 2020 Global 500 report released at the World Economic Forum in Davos, Switzerland.
- Won the **ITSMA 2019 Marketing Excellence Diamond Award** in the **'Building Reputation Through Brand and Differentiation'** category.
- Recognized as a **Business Superbrand** in the UK, with high scores for brand reputation, deep relationships with customers, thought leadership and community initiatives.
- Honored with the **2020 CIO 100 Award**, for the large scale Agile and DevOps automation transformation implemented internally to enhance its business agility.
- TCS LATAM was named the **Nearshore Trendsetter of the Year** at the 2019 Nexus Nearshore Awards.

Intellectual Property

- Won the Intellectual Asset Management's **Asia IP Elite** award in the category **'Internet and Software Team of the Year'** at the Intellectual Property Business Congress Asia 2019 in Tokyo.
- Recognized with the **Best Patents Portfolio** Award in the Large (Engineering) Enterprises category at

the Confederation of Indian Industry (CII) **Industrial Intellectual Property Awards 2019**.

- Won the **National Intellectual Property Award 2019** in the category 'Top Public Limited Company/ Private Limited Company for Patents & Commercialization in India'.
- Awarded the World Intellectual Property Organization's (WIPO's) **IP Enterprise Trophy**.
- Digitate won the **Best Overall AI Company of the Year** award from AI Breakthrough, competing with 2,500 companies and startups in the AI sector from all over the world.
- Digitate and ignio™ won four silver **Stevies®** at the **2019 International Business Awards**, in the categories: **Software Company of the Year, Most Innovative Tech Company of the Year** and **Fastest Growing Software Company of the Year**. ignio™ won in the Software **Defined Infrastructure** product category.
- TCS BaNCS™ Network Solutions powered by Quartz™ Blockchain was named the **Best Blockchain Breakthrough of the Year** at the 2019 FTF News Technology Innovation Awards.
- TCS IoT solutions won two awards at ASSOCHAM's Emerging Digital Technologies Awards 2019, in the **'Most Innovative Use of Emerging Digital Technology – IoT'** category for its Remote Monitoring and Predictive Maintenance solution, and in the **'Intelligent Enterprise Award for Most Innovative Application – Developed for Government'** category for using TCS Digital Twin™ to transform public transportation in India.
- Recognized for its partnership and innovations with the **Best Supplier Award – IT Operations and Projects for the year 2018 – 2019 by Infineon Technologies AG**, a leader in semiconductor solutions.
- TCS Advanced Drug Development (ADD) won an award in the category **Excellence in Ancillary Pharma Services at the India Pharma Awards 2019**.
- TCS Optumera won the **IT Innovation Award** in the Large Enterprise category at the **Express IT Awards 2019**.
- TCS Intelligent Urban Exchange City Command Center software won the **Channel Innovation Award** in the category **Big Data and Analytics Innovation** at an event organized by Channel Partner Insight.
- TCS' cognitive automation software **ignio™** received the **Artificial Intelligence Excellence Award** in the **Self-Awareness category**, from the Business Intelligence Group.
- Won the prestigious **Red Dot: Best of the Best – Brands and Communications Design 2019 Award** for its game Marathon City: Sprint to Win, an exclusive AR experience at the final stretch of the world-famous TCS New York City Marathon.
- TCS New York City Marathon App received the **'Best Sports Mobile Application'** at the **2019 MobileWebAwards** for excellence in mobile/web development.
- TCS' New York City Marathon App was named the App of the Year category at the **Best in Biz Awards 2019 International**, as well as the **MediaPost Appy Award** in the 'Entertainment and Sports' category.
- TCS won one **Gold Stevie®** and two **Silver Stevies®** for its innovative and highly popular Virgin Money London Marathon App, and related promotional campaigns in the community at the **16th Annual International Business Awards**.

People

- Named as One of the **Fortune Best Big Companies to Work For™** in 2020, for the strength of its management team, how the company embraces diversity as an asset, and the extent to which it helps to identify employees' strengths and career growth opportunities.
- Named in **The Sunday Times** list of **Best Big Companies to Work For 2020 in the UK**, for its outstanding

commitment to work/life engagement, employee-friendly workplace practices and continued investments in building up local talent in the UK.

- Recognized as a **Global Top Employer** for the **fifth consecutive year** by the **Top Employers Institute** for exceptional progressive workplace policies, culture, continued investments in its workforce, enhanced digital up-skilling and local hiring practices. In addition, TCS has been certified as the **Number One Top Employer** in **Europe, MEA and APAC**, and in 11 countries: Argentina, Australia, Belgium, Chile, Denmark, Germany, Hong Kong, Saudi Arabia, United Arab Emirates, the United Kingdom, and the United States.

- Recognized in DiversityInc's **Top 50 Companies for Diversity in America** for its investments and efforts in Diversity and Inclusion Leadership Accountability, Talent Programs and Workplace Practices.

- Won Community Business' **2019 D&I Pioneering Initiative Award** for the **Allies of Diversity Conclave**.

- Won the **US Chamber of Commerce Foundation's 2019 Citizens Award** in the category of **Best Commitment to Education Program** for the Ignite My Future in School (IMFIS) program.

- Presented with **Three Stevies®** for Workforce Development and Community Initiatives in Canada - a Gold Stevie for **Best CSR Strategy**, a Silver Stevie for **Best Learning and Development Strategy**, and a Bronze Stevie for Achievement in Workforce Development and Learning.

- The SMU-TCS iCity Lab's **SHINESeniors project** won Constellation Research's 2019 **SuperNova Award** in the category **AI & Augmented Humanity**.

- Named **America's Most Community-Minded Information Technology Company** for the second consecutive year, in the **2019 Civic 50** by **Points of Light**, the world's largest organization dedicated to volunteer service.

- Won 4 Stevies at the 2019 American Business Awards®: **1 Gold Stevie** each for **Corporate Social Responsibility Program of the Year** and **Fastest Growing Tech Company of the Year**; 1 Silver Stevie for **Mobile Marketing Campaign of the Year**, and 1 Bronze Stevie for **Human Resources Department of the Year**.

- Won the **Organization for International Investment's CSR Award** in partnership with Discovery Education for the Ignite My Future in School (IMFIS) program.

Partners

- Awarded the 2019 **New Partner of the Year by Ivalua**.
- TCS' ECP Alpha Architecture implementation awarded the **'Architecture Excellence Award'** by Cisco.
- Won the **Salesforce Partner Innovation Award** in the **'Emerging Product'** category.
- Won the UiPath Automation Excellence Award in the category **'Fastest and Most Efficient Scaling'**.
- Recognized by Adobe as the **Customer Success Partner of the Year** at Adobe's India Symposium 2019.
- Recognized for **Excellence in Digital Transformation** in the 2019 Pega Partner Awards, for developing and delivering digital process automation (DPA) solutions for clients within the financial services industry.
- TCS Enterprise Cloud Platform won the **Best Innovation Award** in Australia at the 2019 Equinix Partner Awards.
- TCS Colombia won 2019 **Microsoft Partner of the Year** for **DevOps and Alliance Global SI** in Colombia.
- TCS was recognized as Oracle's **HCM Cloud Partner of the Year** for The Netherlands.

Consolidated Financial Statements

Independent Auditors' Report

To the Members of
Tata Consultancy Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tata Consultancy Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries listed in Annexure I (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Description of Key Audit Matters

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Fixed price contracts	
The Group inter alia engages in Fixed-price contracts, wherein, revenue is recognised using the percentage of completion computed as per the input method based on the Group's estimate of contract costs (Refer Note 5(d) and Note 12 to the consolidated financial statements). We identified revenue recognition of fixed price contracts as a Key Audit Matter since – • there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognised considering the customised and complex nature of these contracts and significant reliance on IT systems; • application of revenue recognition accounting standard (Ind AS 115, Revenue from Contracts with Customers) is complex and involves a number of key judgments and estimates in mainly identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation; • these contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Group; and • at year end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet.	Our audit procedures on revenue recognised from fixed price contracts included: • Obtained an understanding of the systems, processes and controls implemented by the Group for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances. • Involved our information technology ("IT") specialists: ➢ Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised. ➢ Tested the IT controls over appropriateness of cost and revenue reports generated by the system; and ➢ Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorised recording/changes to costs incurred and controls relating to the estimation of contract costs required to complete the respective projects. • On selected specific / statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard – ➢ Evaluated the identification of performance obligations and the ascribed transaction price; ➢ Tested the Group's computation of the estimation of contract costs and onerous obligations, if any. We: ➢ assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel; ➢ performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract; ➢ assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and ➢ inspected underlying documents and performed analytics to determine reasonableness of contract costs.

Key audit matters	How our audit addressed the key audit matter
Evaluation of key tax matters	
The Group operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant judgment by the Group to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements. Refer Note 8(b) and Note 20 to the consolidated financial statements.	Our audit procedures include the following substantive procedures: • Obtained an understanding of key tax matters; and • The audit team along with our internal tax experts – ➢ read and analysed select key correspondences, external legal opinions / consultations obtained by the Group for key tax matters; ➢ evaluated and challenged key assumptions made by the Group in estimating the current and deferred tax balances; ➢ assessed and challenged the Group's estimate of the possible outcome of the disputed cases by considering legal precedence and other judicial rulings; and ➢ Assessed and tested the presentation and disclosures relating to taxes.
Adoption of Ind AS 116 Leases	
As described in Note 9 to the consolidated financial statements, the Group has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Group has a large number of leases with different contractual terms.	Our audit procedures on adoption of Ind AS 116 include: • Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);

Key audit matters	How our audit addressed the key audit matter
Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract / arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 2(f) and Note 9 to the consolidated financial statements.	• Assessed the Group's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business; • Involved our specialists to evaluate the reasonableness of the discount rates applied in determining the lease liabilities. • Upon transition as at 1 April 2019: ➢ Evaluated the method of transition and related adjustments; ➢ Tested completeness of the lease data by reconciling the Group's operating lease commitments to data used in computing ROU asset and the lease liabilities. • On a statistical sample, we performed the following procedures: ➢ assessed the key terms and conditions of each lease with the underlying lease contracts; and ➢ evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term. • Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

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

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

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2020, none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

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

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 20 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealing in specified banks notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2020.

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

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

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

Yezdi Nagporewalla
Partner
Membership No: 049265
UDIN: 20049265AAAAAL7719

Mumbai
16 April 2020

Annexure A to the Independent Auditors' Report on the consolidated financial statements of Tata Consultancy Services Limited

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

In conjunction with our audit of the consolidated financial statements of Tata Consultancy Services Limited ("the Holding Company") as of 31 March 2020, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

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

Yazdi Nagporewalla
Partner
Membership No: 049265
UDIN: 20049265AAAAAL7719

Mumbai
16 April 2020

Annexure I: List of entities consolidated

1. APOnline Limited
2. C-Edge Technologies Limited
3. CMC Americas, Inc.
4. Diligenta Limited
5. MahaOnline Limited
6. MP Online Limited
7. Tata America International Corporation
8. Tata Consultancy Services (Africa) (PTY) Ltd.
9. Tata Consultancy Services Asia Pacific Pte Ltd.
10. Tata Consultancy Services Belgium
11. Tata Consultancy Services Canada Inc.
12. Tata Consultancy Services Deutschland GmbH
13. Tata Consultancy Services Netherlands BV
14. Tata Consultancy Services Qatar S.S.C.
15. Tata Consultancy Services Sverige AB
16. TCS e-Serve International Limited
17. TCS FNS Pty Limited
18. TCS Foundation
19. TCS Iberoamerica SA
20. PT Tata Consultancy Services Indonesia
21. Tata Consultancy Services (China) Co., Ltd.
22. Tata Consultancy Services (Philippines) Inc.
23. Tata Consultancy Services (Thailand) Limited
24. Tata Consultancy Services Japan, Ltd.
25. Tata Consultancy Services Malaysia Sdn Bhd
26. TCS Italia s.r.l.
27. Tata Consultancy Services (South Africa) (PTY) Ltd.
28. TCS e-Serve America, Inc.
29. Tata Consultancy Services Chile S.A.
30. TATASOLUTION CENTER S.A.
31. Technology Outsourcing S.A.C.
32. Tata Consultancy Services (Portugal) Unipessoal, Limitada

33	TCS Financial Solutions Australia Pty Limited	44	Tata Consultancy Services Danmark ApS
34	TCS Financial Solutions Beijing Co., Ltd.	45	Tata Consultancy Services De Espana S.A.
35	TCS Financial Solutions Australia Holdings Pty Limited	46	Tata Consultancy Services Luxembourg S.A.
36	MGDC S.C.	47	Tata Consultancy Services Osterreich GmbH
37	Tata Consultancy Services Argentina S.A.	48	Tata Consultancy Services Saudi Arabia
38	Tata Consultancy Services De Mexico S.A., De C.V.	49	Tata Consultancy Services Switzerland Ltd.
39	Tata Consultancy Services Do Brasil Ltda	50	Tata Sons & Consultancy Services Employees' Welfare Trust
40	TCS Inversiones Chile Limitada	51	TCS e-Serve Limited - Employees' Welfare Trust
41	Tata Consultancy Services France SA	52	TCS e-Serve International Limited - Employees' Welfare Benefit Trust
42	TCS Uruguay S.A.	53	W12 Studios Limited
43	TCS Solution Center S.A.	54	TCS Business Services GmbH

Consolidated Balance Sheet

(₹ crore)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	[illegible]	10,941	[illegible]
Capital work-in-progress		906	[illegible]
Right-of-use assets	[illegible]	7,994	
Goodwill	[illegible]	1,710	[illegible]
Other intangible assets	[illegible]	283	[illegible]
Financial assets			
Investments	[illegible]	216	[illegible]
Trade receivables	[illegible]	74	[illegible]
Unbilled receivables		324	[illegible]
Loans receivables	[illegible]	29	[illegible]
Other financial assets	[illegible]	1,184	[illegible]
Income tax assets (net)		2,462	[illegible]
Deferred tax assets (net)	[illegible]	2,828	[illegible]
Other assets	[illegible]	1,711	[illegible]
Total non-current assets		**30,662**	[illegible]
Current assets			
Inventories	[illegible]	5	[illegible]
Financial assets			
Investments	[illegible]	26,140	[illegible]
Trade receivables	[illegible]	30,532	[illegible]
Unbilled receivables		5,732	[illegible]
Cash and cash equivalents	[illegible]	8,646	[illegible]
Other balances with banks	[illegible]	1,020	[illegible]
Loans receivables	[illegible]	8,475	[illegible]
Other financial assets	[illegible]	1,473	[illegible]
Income tax assets (net)		8	[illegible]
Other assets	[illegible]	8,206	[illegible]
Total current assets		**90,237**	[illegible]
TOTAL ASSETS		**120,899**	[illegible]
EQUITY AND LIABILITIES			
Equity			
Share capital	[illegible]	375	[illegible]
Other equity	[illegible]	83,751	[illegible]
Equity attributable to shareholders of the Company		**84,126**	[illegible]
Non-controlling interests		623	[illegible]
Total equity		**84,749**	[illegible]

Consolidated Balance Sheet

(₹ crore)

	Note	As at March 31, 2020	As at March 31, 2019
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		**6,906**	[illegible]
Other financial liabilities	[illegible]	**281**	[illegible]
Unearned and deferred revenue		**697**	[illegible]
Employee benefit obligations	[illegible]	**417**	[illegible]
Deferred tax liabilities (net)	[illegible]	**779**	[illegible]
Other liabilities	[illegible]	**-**	[illegible]
Total non-current liabilities		**9,090**	[illegible]
Current liabilities			
Financial liabilities			
Lease liabilities		**1,269**	[illegible]
Trade payables		**5,740**	[illegible]
Other financial liabilities	[illegible]	**8,100**	[illegible]
Unearned and deferred revenue		**2,915**	[illegible]
Provisions	[illegible]	**293**	[illegible]
Employee benefit obligations	[illegible]	**2,749**	[illegible]
Income tax liabilities (net)		**3,712**	[illegible]
Other liabilities	[illegible]	**3,283**	[illegible]
Total current liabilities		**27,060**	[illegible]
TOTAL EQUITY AND LIABILITIES		**120,899**	[illegible]

NOTES FORMING PART OF CONSOLIDATED 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: [illegible]

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Kotal M Mistry
Director

Yezdi Nagporewalla
Partner
Membership No: [illegible]

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April [illegible], 2020

Consolidated Statement of Profit and Loss

₹ crore

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	[illegible]	156,949	[illegible]
Other income	[illegible]	4,592	[illegible]
TOTAL INCOME		161,541	[illegible]
Expenses			
Employee benefit expenses	[illegible]	85,952	[illegible]
Cost of equipment and software licences	[illegible]	1,905	[illegible]
Depreciation and amortisation expense		3,529	[illegible]
Other expenses	[illegible]	26,983	[illegible]
Finance costs	[illegible]	924	[illegible]
TOTAL EXPENSES		119,293	[illegible]
PROFIT BEFORE TAX		42,248	[illegible]
Tax expense			
Current tax	[illegible]	10,378	[illegible]
Deferred tax	[illegible]	(577)	[illegible]
TOTAL TAX EXPENSE		9,801	[illegible]
PROFIT FOR THE YEAR		32,447	[illegible]
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(428)	[illegible]
Net change in fair values of investments in equity shares carried at fair value through OCI		(20)	[illegible]
Income tax on items that will not be reclassified subsequently to profit or loss		90	[illegible]
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		948	[illegible]
Net change in intrinsic value of derivatives designated as cash flow hedges		(94)	[illegible]
Net change in time value of derivatives designated as cash flow hedges		(62)	[illegible]
Exchange differences on translation of financial statements of foreign operations		326	[illegible]
Income tax on items that will be reclassified subsequently to profit or loss		(315)	[illegible]
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		464	[illegible]
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		32,911	[illegible]
Profit for the year attributable to:			
Shareholders of the Company		32,340	[illegible]
Non-controlling interests		107	[illegible]
		32,447	[illegible]
Total comprehensive income for the year attributable to:			
Shareholders of the Company		32,764	[illegible]
Non-controlling interests		147	[illegible]
		32,911	[illegible]
Earnings per equity share: Basic and diluted (₹)	[illegible]	86.19	[illegible]
Weighted average number of equity shares		375,23,84,706	[illegible]

NOTES FORMING PART OF CONSOLIDATED 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: [illegible]

Yezdi Nagporewalla
Partner
Membership no: [illegible]

Mumbai, June 8, 2020

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2018	Changes in equity share capital during the year*	Balance as at March 31, 2019
191	184	375

(₹ crore)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
375	-	375

*Refer note [illegible]

B. OTHER EQUITY

(₹ crore)

	Reserves and surplus						Items of other comprehensive income				Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
	Capital reserve	Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Statutory reserve	Investment revaluation reserve	Cash flow hedging reserve: Intrinsic value	Cash flow hedging reserve: Time value	Foreign currency translation reserve			
Balance as at April 1, 2018	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit for the year					[illegible]						[illegible]	[illegible]	[illegible]
Other comprehensive income / (losses)	-				[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total comprehensive income					[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]					[illegible]						[illegible]	[illegible]	[illegible]
Buy-back of equity shares		[illegible]			[illegible]						[illegible]		[illegible]
Expenses for buy-back of equity shares					[illegible]						[illegible]		[illegible]
[illegible]		[illegible]			[illegible]						[illegible]		[illegible]
[illegible]					[illegible]		[illegible]						
Transfer to Special Economic Zone re-investment reserve				[illegible]	[illegible]								
Transfer from Special Economic Zone re-investment reserve				[illegible]	[illegible]								
Transfer to reserve			[illegible]		[illegible]	[illegible]							
Balance as at March 31, 2019	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Consolidated Statement of Changes in Equity

(₹ crore)

	Reserves and surplus						Items of other comprehensive income				Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
	Capital reserve	Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Statutory reserve	Investment revaluation reserve	Cash flow hedging reserve: Intrinsic value	Cash flow hedging reserve: Time value	Foreign currency translation reserve			
Balance as at April 1, 2019	75	431	27	994	85,520	348	152	134	(30)	1,380	89,071	453	89,524
[illegible]	-	-	-	-	(357)	-	-	-	-	-	(357)	(2)	(359)
Restated balance as at April 1, 2019	75	431	27	994	85,163	348	152	134	(30)	1,380	88,714	451	89,165
Profit for the year	-	-	-	-	32,340	-	-	-	-	-	32,340	107	32,447
Other comprehensive income / (losses)	-	-	-	-	(339)	-	604	(89)	(38)	286	424	40	464
Total comprehensive income	-	-	-	-	32,001	-	604	(89)	(38)	286	32,764	147	32,911
[illegible]	-	-	-	-	(37,634)	-	-	-	-	-	(37,634)	(68)	(37,702)
[illegible]	-	-	-	-	(93)	-	-	-	-	-	(93)	93	-
[illegible]	-	-	-	2,947	(2,947)	-	-	-	-	-	-	-	-
[illegible]	-	-	-	(2,347)	2,347	-	-	-	-	-	-	-	-
[illegible]	-	-	-	-	(27)	27	-	-	-	-	-	-	-
Balance as at March 31, 2020	75	431	27	1,594	78,810	375	756	45	(68)	1,666	83,751	623	84,374

[illegible]

[illegible]

[illegible]

Nature and purpose of reserves

a. **Capital reserve**

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

b. **Capital redemption reserve**

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

c. **General reserve**

The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

d. **Special Economic Zone re-investment reserve**

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

e. **Statutory reserve**

Statutory reserves are created to adhere to requirements of applicable laws.

f. **Investment revaluation reserve**

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

g. **Cash flow hedging reserve**

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

h. **Foreign currency translation reserve**

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached | For and on behalf of the Board

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

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

Yezdi Nagporewalla
Partner
Membership No. 049265

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 16, 2020

Consolidated Statement of Cash Flows

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	33,447	[illegible]
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	3,529	[illegible]
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	144	[illegible]
Tax expense	8,201	[illegible]
Net gain on lease modification	(18)	–
Unrealised foreign exchange (gain) / loss	(117)	[illegible]
Net gain on disposal of property, plant and equipment	(46)	(24)
Net gain on investments	(214)	(477)
Interest income	(3,382)	[illegible]
Dividend income	(10)	[illegible]
Finance costs	924	[illegible]
Operating profit before working capital changes	42,592	[illegible]
Net change in		
Inventories	5	[illegible]
Trade receivables	(3,298)	[illegible]
Unbilled receivables	(508)	[illegible]
Loans receivables and other financial assets	(2)	[illegible]
Other assets	(3,492)	[illegible]
Trade payables	446	[illegible]
Unearned and deferred revenue	375	[illegible]
Other financial liabilities	1,208	[illegible]
Other liabilities and provisions	596	[illegible]
Cash generated from operations	38,215	[illegible]
Taxes paid (net of refunds)	(5,846)	[illegible]
Net cash generated from operating activities	32,369	[illegible]
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(7,663)	[illegible]
Inter-corporate deposits placed	(14,905)	[illegible]
Purchase of investments*	(90,002)	[illegible]
Payment for purchase of property, plant and equipment	(2,838)	[illegible]
Payment including advances for acquiring right-of-use assets	(519)	[illegible]
Payment for purchase of intangible assets	(192)	[illegible]
Purchase of subsidiary, net of cash acquired [illegible]	-	[illegible]
Proceeds from bank deposits	11,965	[illegible]
Proceeds from inter-corporate deposits	14,432	[illegible]
Proceeds from disposal / redemption of investments*	84,089	[illegible]
Proceeds from disposal of property, plant and equipment	161	[illegible]
Interest received	3,729	[illegible]
Dividend received	8	[illegible]
Net cash generated from investing activities	8,565	[illegible]
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of equity shares	–	(16,000)
Expenses for buy-back of equity shares	–	[illegible]
Short-term borrowings (net)	–	[illegible]
Dividend paid, including dividend tax	(37,654)	[illegible]
Dividend paid to non-controlling interests (including dividend tax)	(68)	[illegible]
Purchase of non-controlling interests	(227)	
Repayment of lease liabilities	(1,092)	[illegible]
Interest paid	(924)	[illegible]
Net cash used in financing activities	(39,915)	[illegible]
Net change in cash and cash equivalents	1,019	[illegible]
Cash and cash equivalents at the beginning of the year	7,224	[illegible]
Exchange difference on translation of foreign currency cash and cash equivalents	403	[illegible]
Cash and cash equivalents at the end of the year (Refer note 8(c))	8,646	[illegible]

*Purchase of investments include [illegible] [illegible]

NOTES FORMING PART OF CONSOLIDATED 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: [illegible]

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

Yezdi Nagporewalla
Partner
Membership No: [illegible]

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, [illegible]

1) **Corporate information**

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

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai 400001. As at March 31, 2020, Tata Sons Private Limited, the holding company owned 72.05% of the Company's equity share capital.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2020 and authorised for issue on April 16, 2020.

2) **Statement of compliance**

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

3) **Basis of preparation**

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

The statement of cash flows have been prepared under indirect method.

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the consolidated 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 significant accounting policies used in preparation of the consolidated financial statements have been discussed in the respective notes.

4) **Basis of consolidation**

The Company consolidates all entities which are controlled by it.

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

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

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

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

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

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

5) **Use of estimates and judgements**

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

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

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

a. **Revenue recognition**

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

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

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

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

b. Useful lives of property, plant and equipment

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

c. Impairment of goodwill

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

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. Provision for income tax and deferred tax assets

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

f. **Provisions and contingent liabilities**

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

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

g. **Employee benefits**

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

h. **Leases**

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

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

6) **Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

7) **Business combinations**

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

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

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

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

The Company acquired W12 Studios Limited, an award-winning digital design studio based in London on October 31, 2018. The Company paid ₹66 crore (GBP 7 million) to acquire 100% equity shares of W12 Studios Limited.

Purchase consideration paid for this acquisition has been allocated as follows:

(₹ crore)

	Purchase Consideration
Cash and cash equivalents	16
Net assets acquired, at fair value other than cash and cash equivalents	6
Intangible assets	30
Goodwill	14
	66

Revenues and net profit of the acquiree included in the consolidated financial statements and proforma revenue and net profit information as of the beginning of April 1, 2018 have not been presented because the amounts are immaterial.

e) **Financial assets, financial liabilities and equity instruments**

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

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

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Derivative accounting

- **Instruments in hedging relationship**

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

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

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

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

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

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

- **Instruments not in hedging relationship**

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

Impairment of Financial assets (other than at fair value)

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

(a) **Investments**

Investments consist of the following:

Investments - Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)		
Mozido LLC	75	69
FCM LLC	55	57
Taj Air Limited	19	19
Philippine Dealing System Holdings Corporation	7	6
Less: Impairment in value of investments	(114)	(108)
Investments carried at amortised cost		
Government bonds and securities (quoted)	164	165
Corporate bonds (quoted)	10	16
	216	239

Investments - Non current include ₹174 crore and ₹181 crore as at March 31, 2020 and 2019, respectively, pertaining to trusts held for specified purposes.

Investments - current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	1,690	3,745
Mutual fund units (unquoted)	-	63
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	24,290	23,566
Corporate bonds (quoted)	152	1,706
Investments carried at amortised cost		
Certificate of deposits (quoted)	-	890
Corporate bonds (quoted)	26	21
	26,140	29,090

Investments - Current include ₹90 crore and ₹121 crore as at March 31, 2020 and 2019, respectively pertaining to trusts and TCS Foundation held for specified purposes.

Aggregate value of quoted and unquoted investment is as follows:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Aggregate value of quoted investments	26,314	29,208
Aggregate value of unquoted investments (net of impairment)	42	171
Aggregate market value of quoted investments	26,336	29,222
Aggregate value of impairment of investments	114	108

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Government bonds and securities	186	177
Certificate of deposit	-	491
Corporate bonds	56	56

(₹ crore)

In numbers	Currency	Face value per share	Investments	As at March 31, 2020	As at March 31, 2019
			Fully paid equity shares (unquoted)		
[illegible]	[illegible]	[illegible]	Mozido LLC	75	[illegible]
[illegible]	[illegible]	[illegible]	POSH LLC	65	[illegible]
[illegible]	[illegible]	[illegible]	Taj Air Limited	19	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	7	[illegible]
			[illegible]	(124)	[illegible]
				42	[illegible]

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	192	(114)
Net loss arising on revaluation of financial assets carried at fair value	(20)	(1)
Net cumulative loss reclassified to retained earnings on sale of financial assets carried at fair value	-	1
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	972	[illegible]
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(340)	[illegible]
Net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	(14)	
Deferred tax relating to net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	5	
Balance at the end of the year	795	192

(b) Trade receivables

Trade receivables (unsecured) consist of the following:

Trade receivables - Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Trade receivables	656	569
Less: Allowance for doubtful trade receivables	(582)	(474)
Considered good	74	95

Trade receivables - Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Trade receivables	30,747	27,629
Less: Allowance for doubtful trade receivables	(306)	(340)
Considered good	30,441	27,289
Trade receivables	340	263
Less: Allowance for doubtful trade receivables	(249)	(206)
Credit impaired	91	57
	30,532	27,346

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current accounts	8,237	6,463
In deposit accounts	405	733
Cheques on hand	1	2
Cash on hand	1	19
Remittances in transit	2	7
	8,646	7,224

Balances with banks in current accounts include ₹1 crore and ₹5 crore as at March 31, 2020 and 2019, respectively, pertaining to trusts held for specified purposes.

(d) Other balances with banks

Other balances with banks consist of the following:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks	215	196
Short-term bank deposits	805	5,828
	1,020	6,024

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

(e) **Loans receivables**

Loans receivables (unsecured) consist of the following:

Loans receivables – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Considered good		
Inter-corporate deposits	27	58
Loans and advances to employees	2	2
	29	60

Loans receivables – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Considered good		
Inter-corporate deposits	8,171	7,667
Loans and advances to employees	304	362
Credit impaired		
Loans and advances to employees	15	63
Less: Allowance on loans and advances to employees	(15)	(63)
	8,475	8,029

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

Inter-corporate deposits includes ₹937 crore and ₹600 crore as at March 31, 2020 and 2019, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(f) **Other financial assets**

Other financial assets consist of the following:

Other financial assets – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Security deposits	824	737
Earmarked balances with banks	1	1
Long-term bank deposits	548	-
Others	11	21
	1,384	759

Other financial assets – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Security deposits	170	154
Fair value of foreign exchange derivative assets	425	505
Interest receivable	744	1,054
Others	134	56
	1,473	1,769

Interest receivable includes ₹4 crore and ₹46 crore as at March 31, 2020 and 2019, respectively, pertaining to trusts and TCS Foundation.

(g) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Capital creditors	5	9
Others	288	278
	293	287

Others include advance taxes paid of ₹226 crore and ₹276 crore as at March 31, 2020 and 2019, respectively, by the erstwhile TCS e-Serve Limited (merged with the Company) which, if refunded by the tax authorities, is payable to the seller.

Other financial liabilities – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Accrued payroll	3,907	3,203
Current maturities of finance lease obligations	-	10
Unclaimed dividends	53	41
Fair value of foreign exchange derivative liabilities	693	60
Capital creditors	502	503
Liabilities towards customer contracts	807	808
Others	138	303
	6,100	4,903

In the previous year, 'Others' include a liability accrued towards exercise of put / call option for acquisition by Tata Consultancy Services Asia Pacific Pte Ltd. of additional 15% stake in its joint venture with Mitsubishi Corporation in Tata Consultancy Services Japan, Ltd.

On June 26, 2019, pursuant to exercise of put option by Mitsubishi Corporation, Tata Consultancy Services Asia Pacific Pte Ltd. acquired additional 15% stake for an amount of ₹227 crore (JPY 3,500 million).

(h) Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2020 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					8,646	8,646
Bank balances	-	-	-	-	1,182	1,182
Loans receivables and advances	-	-	-	-	218	218
Investments	1,662	26,444		-	50	28,156
Trade receivables	-	-	-	-	30,404	30,404
Unbilled receivables	-	-	-	-	6,050	7,056
Loans receivables	-	-	-	-	8,504	8,504
Other financial assets	-	-	146	379	1,633	2,158
Total	1,662	26,444	146	379	57,264	85,895
Financial liabilities						
Trade payables		-		-	6,740	6,740
Lease liabilities	-	-	-	-	8,174	8,174
Other financial liabilities	-	-	34	659	5,900	6,393
Total	-	-	34	659	20,814	21,507

Loans receivables include inter-corporate deposits of ₹8,398 crore with original maturity period within 36 months.

The carrying value of financial instruments by categories as at March 31, 2019 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					[illegible]	[illegible]
Bank deposits					[illegible]	[illegible]
Earmarked balances with banks					[illegible]	[illegible]
Investments	[illegible]	[illegible]			[illegible]	[illegible]
Trade receivables					[illegible]	[illegible]
Unbilled receivables					[illegible]	[illegible]
Loans receivables					[illegible]	[illegible]
Other financial assets			[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financial liabilities						
Trade payables					[illegible]	[illegible]
Lease liabilities					[illegible]	[illegible]
Other financial liabilities	[illegible]			[illegible]	[illegible]	[illegible]
Total	[illegible]			[illegible]	[illegible]	[illegible]

Loans receivables include inter corporate deposits of ₹2,225 crore with original maturity period within 30 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans receivables and trade payables as at March 31, 2020 and 2019 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is ₹22 crore and ₹204 crore as at March 31, 2020 and 2019, respectively.

(ii) **Fair value hierarchy**

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

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

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

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

(₹ crore)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	1,692	-	-	1,692
Equity shares	-	-	42	42
Government bonds and securities	24,476	-	-	24,476
Corporate bonds	168	-	-	168
Derivative financial assets	-	425	-	425
Total	26,336	425	42	26,803
Financial liabilities				
Derivative financial liabilities	-	693	-	693
Total	-	693	-	693

(₹ crore)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	3,145	163	-	3,308
Equity shares	-	-	58	58
Government bonds and securities	23,743	-	-	23,743
Certificate of deposits	491	-	-	491
Corporate bonds	1,743	-	-	1,743
Derivative financial assets	-	585	-	585
Total	29,122	748	58	29,928
Financial liabilities				
Derivative financial liabilities	-	60	-	60
Other financial liabilities	-	-	218	218
Total	-	60	218	278

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	58	58
Disposals during the year	-	(3)
Impairment in value of investments	(20)	-
Translation exchange difference	4	3
Balance at the end of the year	42	58

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	218	203
Additions during the year	-	13
Repayment during the year	(227)	-
Translation exchange difference	9	2
Balance at the end of the year	-	218

(i) Derivative financial instruments and hedging activity

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

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

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

Foreign currency	As at March 31, 2020			As at March 31, 2019		
	No. of contracts	Notional amount of contracts (In million)	Fair value (₹ crore)	No. of contracts	Notional amount of contracts (In million)	Fair value (₹ crore)
[illegible]	55	1,420	20	[illegible]	[illegible]	[illegible]
[illegible]	71	384	58	[illegible]	177	[illegible]
[illegible]	58	363	(31)	[illegible]	[illegible]	[illegible]
[illegible]	28	192	48	[illegible]	[illegible]	[illegible]
[illegible]	18	104	16	[illegible]	[illegible]	[illegible]

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

(₹ crore)

	Year ended March 31, 2020		Year ended March 31, 2019	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	134	(50)	[illegible]	[illegible]
[illegible]	(449)	513	[illegible]	[illegible]
[illegible]	54	(58)	[illegible]	[illegible]
[illegible]	358	(565)	[illegible]	[illegible]
[illegible]	(49)	52	[illegible]	[illegible]
Balance at the end of the year	45	(58)	[illegible]	[illegible]

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2020 and 2019, the notional amount of outstanding contracts aggregated to ₹40,291 crore and ₹34,309 crore, respectively and the respective fair value of these contracts have a net loss of ₹300 crore and net gain of ₹288 crore.

Exchange loss of ₹461 crore and exchange gain of ₹400 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the consolidated statement of profit and loss for the years ended March 31, 2020 and 2019, respectively.

Net foreign exchange gains include loss of ₹54 crore and gain of ₹30 crore transferred from cash flow hedging reserve for the years ended March 31, 2020 and 2019, respectively.

Net loss on derivative instruments of ₹23 crore recognised in cash flow hedging reserve as at March 31, 2020, is expected to be transferred to the statement of profit and loss by March 31, 2021. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2020.

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
10% Appreciation of the underlying foreign currencies	(407)	[illegible]
10% Depreciation of the underlying foreign currencies	1,261	[illegible]

(k) Financial risk management

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

Market risk

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

i **Foreign currency exchange rate risk**

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

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

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

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

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Tata Consultancy Services Limited as of the date of balance sheet which could affect the statement of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note 8(j).

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2020:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	2,140	239	82	1,345
Net financial liabilities	(3,257)	(325)	(160)	(249)

10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately ₹39 crore for the year ended March 31, 2020.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2019:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	2,519	571	906	1,205
Net financial liabilities	(182)	-	(80)	(308)

10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in decrease / increase in the Group's profit before taxes by approximately ₹423 crore for the year ended March 31, 2019.

Impact of COVID-19 (Global pandemic)

The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

- **Interest rate risk**

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

Credit risk

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, loan receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹8,390 crore are with a financial institution having a high credit rating assigned by credit rating agencies. Bank deposits include an amount of ₹1,136 crore held with two Indian banks having high credit rating which are individually in excess of 10% or more of the Group's total bank deposits as at year ended March 31, 2020. None of the other financial instruments of the Group result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹89,291 crore and ₹89,472 crore as at March 31, 2020 and 2019, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, unbilled receivables, loan receivables, contract assets and other financial assets.

  The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at March 31, 2020 and 2019.

Geographic concentration of credit risk

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

	As at March 31, 2020		As at March 31, 2019	
	Gross%	Net%	Gross%	Net%
United States of America	44.94	45.66	45.95	46.67
India	11.56	10.01	11.81	10.37
United Kingdom	14.74	15.02	14.12	14.50

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2020 and 2019 was ₹[illegible] crore and ₹[illegible] crore respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	1,020	[illegible]
Change during the year	133	102
Bad debts written off	(43)	[illegible]
Translation exchange difference	27	[illegible]
Balance at the end of the year	1,137	1,020

Liquidity risk

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

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

(₹ crore)

March 31, 2020	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	5,740	-	-	-	5,740
Lease liabilities	1,722	1,514	3,517	4,034	10,787
Other financial liabilities	5,407	12	279	-	5,698
	13,869	1,526	3,796	4,034	23,225
Derivative financial liabilities	693	-	-	-	693
Total	14,562	1,526	3,796	4,034	23,918

₹ crore

March 31, 2019	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Non-derivative financial liabilities					
[illegible]	[illegible]				[illegible]
[illegible]		[illegible]	[illegible]	–	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Derivative financial liabilities	[illegible]				[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Other risk - Impact of COVID-19

Financial assets carried at fair value as at March 31, 2020 is ₹26,501 crore and financial assets carried at amortised cost as at March 31, 2020 is ₹52,264 crore. A significant part of the financial assets are classified as Level 1 having fair value of ₹26,536 crore as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Group are mainly investments in liquid debt securities and accordingly any material volatility is not expected.

Financial assets of ₹11,095 crore as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Group has assessed the counterparty credit risk. Trade receivables of ₹30,406 crore as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The Group has specifically evaluated the potential impact with respect to customers in Retail, Travel, Transportation and Hospitality, Manufacturing and Energy verticals which could have an immediate impact and the rest which could have an impact with a lag. The Group closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables and contract assets of ₹10,545 crore as at March 31, 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹337 crore as at March 31, 2020 is considered adequate.

(i) Equity instruments

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Authorised		
460,05,00,000 equity shares of ₹1 each (March 31, 2019: 460,05,00,000 equity shares of ₹1 each)	460	460
105,02,50,000 preference shares of ₹1 each (March 31, 2019: 105,02,50,000 preference shares of ₹1 each)	105	105
	565	565
Issued, Subscribed and Fully paid up		
375,23,84,706 equity shares of ₹1 each (March 31, 2019: 375,23,84,706 equity shares of ₹1 each)	375	375
	375	375

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.

In the previous year, 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 ₹186 crore and capital redemption reserve amounting to ₹5 crore.

The Company bought back 7,61,90,476 equity shares for an aggregate amount of ₹16,000 crore being 3.99% of the total paid up equity share capital at ₹2,100 per equity share in the previous year. The equity shares bought back were extinguished on September 26, 2018.

I. Reconciliation of number of shares

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	375,23,84,706	375	[illegible]	[illegible]
Issued during the year	-	-	[illegible]	[illegible]
Shares bought back (refer note)	-	-	(7,61,90,476)	[illegible]
Closing balance	375,23,84,706	375	375,23,84,706	375

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, 2020	As at March 31, 2019
Equity shares		
Holding company		
270,24,50,947 equity shares (March 31, 2019: 270,24,50,947 equity shares) are held by Tata Sons Private Limited	270	270
Subsidiaries and Associates of Holding company		
7,220 equity shares (March 31, 2019: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,36,269 equity shares (March 31, 2019: 10,36,269 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2019: 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2019: 766 equity shares) are held by The Tata Power Company Limited*	-	-
	270	270

*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, 2020	As at March 31, 2019
Equity shares		
Tata Sons Private Limited, the holding company	270,24,50,947	270,24,50,947
% of shareholding	72.02%	72.05%

V. Equity shares movement during 5 years preceding March 31, 2020

- **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, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

- **Equity shares extinguished on buy-back**

  The Company bought back 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.

  5,61,40,350 equity shares of ₹1 each were extinguished on buy-back by the Company pursuant to a Letter of Offer made to all eligible shareholders of the Company at ₹2,850 per equity share. The equity shares bought back were extinguished on June 7, 2017.

- **Equity shares allotted as fully paid-up including equity shares fully paid pursuant to contract without payment being received in cash**

  The [illegible] equity shares issued to the shareholders of CMC Limited in terms of the scheme of amalgamation ("the Scheme") sanctioned by the High Court of Judicature at Bombay vide its Order dated August 14, 2015 and the High Court of Judicature at Hyderabad vide its Order dated July 20, 2015.

v) Leases

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

Group as a lessee

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

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

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

Group as a lessor

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

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Refer note 2(h) - Significant accounting policies - Leases in the Annual report of the Group for the year ended March 31, 2019, for the policy as per Ind AS 17.

Group as a lessee

Operating leases

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right-of-use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹6,350 crore and lease liability of ₹5,006 crore has been recognised. The cumulative effect on transition in retained earnings net off taxes is ₹249 crore (including the deferred tax of ₹120 crore). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 6.78% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

Finance lease

The Group has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹51 crore has been reclassified from property, plant and equipment to right-of-use assets. An amount of ₹10 crore has been reclassified from other current financial liabilities to lease liability – current and an amount of ₹44 crore has been reclassified from borrowings – non-current to lease liability – non-current.

Group as a lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Group does not have any significant impact on account of sub-lease on the application of this standard.

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

(₹ crore)

	Additions for year ended March 31, 2020	Net carrying amount as at March 31, 2020
Leasehold land	474	690
Buildings	2,443	7,218
Leasehold improvements	15	46
Computer equipment	7	13
Vehicles	5	16
Office equipment	7	11
	2,951	7,994

Depreciation on right of use asset is as follows:

(₹ crore)

	Year ended March 31, 2020
Leasehold land	4
Buildings	1,225
Leasehold improvements	10
Computer equipment	17
Vehicles	10
Office equipment	2
	1,268

Interest on lease liabilities is ₹492 crore for the year ended on March 31, 2020.

The Group incurred ₹582 crore for the year ended March 31, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹2,466 crore for the year ended March 31, 2020, including cash outflow of short-term leases and leases of low value assets. The Group has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods as at March 31, 2020 is ₹457 crore.

Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

Impact of COVID-19

The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors towards properties used as delivery centers / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

10) Non-financial assets and 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 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	5 years
Electrical installations	4-10 years
Furniture and fixtures	5 years

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

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

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

Property, plant and equipment consist of the following:

(₹ crore)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2019	345	7,429	2,403	552	7,687	39	2,377	1,935	1,755	24,522
[illegible]	-	-	(106)	-	(130)	-	(5)	-	(2)	(243)
Restated cost as at April 1, 2019	345	7,429	2,297	552	7,557	39	2,372	1,935	1,753	24,279
Additions	-	290	302	134	1,620	5	223	119	165	2,858
Disposals	-	(7)	(185)	-	(379)	(2)	(90)	(19)	(91)	(733)
Translation exchange difference	2	7	13	(5)	(4)	-	4	4	18	40
Cost as at March 31, 2020	347	7,719	2,427	681	8,794	42	2,509	2,039	1,866	26,444
Accumulated depreciation as at April 1, 2019	-	(2,187)	(1,396)	(172)	(5,906)	(31)	(1,820)	(1,132)	(1,366)	(14,111)
[illegible]	-	-	60	-	129	-	4	-	1	194
Restated accumulated depreciation as at April 1, 2019	-	(2,187)	(1,336)	(172)	(5,777)	(31)	(1,817)	(1,132)	(1,365)	(13,917)
Depreciation for the year	-	(379)	(191)	(60)	(998)	(5)	(232)	(147)	(160)	(2,172)
Disposals	-	6	99	-	337	2	85	18	31	619
Translation exchange difference	-	(3)	(13)	4	4	-	(4)	(5)	(15)	(32)
Accumulated depreciation as at March 31, 2020	-	(2,565)	(1,441)	(228)	(6,474)	(34)	(2,068)	(1,266)	(1,469)	(15,503)
Net carrying amount as at March 31, 2020	347	5,154	986	453	2,320	8	441	773	397	10,941

(₹ crore)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2018	[illegible]	7,006	2,251	513	6,788	34	2,123	1,651	1,640	22,720
Additions	[illegible]	435	236	38	1,100	7	300	160	150	2,238
Disposals		(15)	(75)	(1)	(244)	(2)	(46)	(31)	(35)	(476)
Translation exchange difference	1	5	5	(2)	(25)	-	2	4	10	-
Cost as at March 31, 2019	345	7,429	2,403	552	7,603	38	2,377	1,805	1,755	24,522
Accumulated depreciation as at April 1, 2018		(1,627)	(1,380)	(321)	(5,297)	(26)	(1,720)	(1,064)	(1,334)	(12,504)
Depreciation for the year		(374)	(305)	(54)	(823)	(4)	(245)	(147)	(162)	(2,077)
Disposals		12	84	2	194	1	46	23	42	[illegible]
Translation exchange difference		(2)	(2)	2	12		(2)	(3)	(7)	[illegible]
Accumulated depreciation as at March 31, 2019		(1,985)	(1,806)	(377)	(6,106)	(31)	(1,921)	(1,130)	(1,466)	(14,711)
Net carrying amount as at March 31, 2019	345	5,242	1,007	180	1,291	8	456	603	289	10,481

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

(₹ crore)

	As at March 31, 2019
Leasehold improvements	20
Computer equipment	9
Office equipment	1
Furniture and fixtures	1
Leased assets	31

(b) **Goodwill**

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

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

Goodwill consist of the following:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	1,700	1,745
Additional amount recognised from business combination during the year	-	4
Translation exchange difference	10	(49)
Balance at the end of the year	1,710	1,700

Goodwill of ₹636 crore and ₹594 crore as at March 31, 2020 and 2019, respectively, has been allocated to the TCS business in France. The estimated value in use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 9.50%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of ₹1,074 crore and ₹1,106 crore as at March 31, 2020 and 2019, respectively, (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

(c) **Other intangible assets**

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

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

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

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

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

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

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

Intangible assets consist of the following:

(₹ crore)

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
Cost as at April 1, 2019	256	115	371
Additions	192	-	192
Translation exchange difference	-	5	5
Cost as at March 31, 2020	448	120	568
Accumulated amortisation as at April 1, 2019	(102)	(90)	(192)
Amortisation for the year	(80)	(9)	(89)
Translation exchange difference	2	(6)	(4)
Accumulated amortisation as at March 31, 2020	(180)	(105)	(285)
Net carrying amount as at March 31, 2020	268	15	283

(₹ crore)

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
Cost as at April 1, 2018	80	89	169
Additions	178	-	178
Acquisition through a business combination	-	28	28
Translation exchange difference	(2)	(2)	(4)
Cost as at March 31, 2019	256	115	371
Accumulated amortisation as at April 1, 2018	(68)	(79)	(147)
Amortisation for the year	(35)	(14)	(49)
Translation exchange difference	1	3	4
Accumulated amortisation as at March 31, 2019	(102)	(90)	(192)
Net carrying amount as at March 31, 2019	154	25	179

The estimated amortisation for the years subsequent to March 31, 2020 is as follows:

(₹ crore)

Year ending March 31,	**Amortisation expense**
2021	105
2022	98
2023	55
2024	17
Thereafter	-
	275

(d) **Other assets**

Other assets consist of the following:

Other assets - Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Considered good		
Contract assets	197	190
Prepaid expenses	839	183
Prepaid rent	-	540
Contract fulfillment costs	286	774
Capital advances	55	210
Advances to related parties	36	8
Others	298	60
	1,711	1,965
Advances to related parties, considered good, comprise:		
Voltas Limited	3	2
Tata Realty and Infrastructure Ltd*	-	-
Concorde Motors (India) Limited	-	5
Tata Projects Limited	33	1
Titan Engineering and Automation Limited*	-	-

*Represents value less than ₹0.50 crore

Other assets - Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Considered good		
Contract assets	4,292	3,258
Prepaid expenses	1,498	614
Prepaid rent	15	50
Contract fulfillment costs	621	587
Advance to suppliers	136	139
Advance to related parties	11	2
Indirect taxes recoverable	1,374	1,170
Other advances	130	149
Others	129	156
Considered doubtful		
Advance to suppliers	3	5
Indirect taxes recoverable	2	6
Other advances	3	4
Less: Allowance on doubtful assets	(8)	(15)
	8,206	6,125
Advance to related parties, considered good comprise:		
The Titan Company Limited	3	1
Tata AIG General Insurance Company Limited	-	1
Tata AIA Life Insurance Company Limited	1	-
Tata Sons Private Limited	7	-

Prepaid rent of ₹396 crore has been reclassified to right of use asset pursuant to transition to Ind AS 116.

Non-current - Others includes advance of ₹271 crore towards acquiring right of use of leasehold land in the current year.

Contract fulfillment costs of ₹570 crore and ₹665 crore for the years ended March 31, 2020 and 2019, respectively, have been amortised in the statement of profit and loss. Refer note 12 for changes in contract assets.

(e) Inventories

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

Inventories consist of the following:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Raw materials, sub-assemblies and components	5	9
Finished goods and work-in-progress*	-	-
Stores and spares	-	1
	5	10

*Represents value less than ₹0.50 crore

(f) Provisions

Provisions consist of the following:

Provisions – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Provision for foreseeable loss	238	184
Other provisions	55	55
	293	239

(g) Other liabilities

Other liabilities consist of the following:

Other liabilities – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Operating lease liabilities	-	413
	-	413

Other liabilities – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Advances received from customers	345	575
Indirect taxes payable and other statutory liabilities	2,874	2,526
Operating lease liabilities	2	60
Others	62	74
	3,283	3,235

Operating lease liability of ₹473 crore has been reclassified to retained earnings pursuant to transition to Ind AS 116.

(h) Other equity

Other equity consist of the following:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Capital reserve	75	75
Capital redemption reserve		
(i) Opening balance	431	529
(ii) Transfer from retained earnings^	-	8
(iii) Issue of bonus shares*	-	(106)
	431	431
General reserve		
(i) Opening balance	27	1,423
(ii) Transfer to retained earnings	-	(1,396)
	27	27
Special Economic Zone re-investment reserve		
(i) Opening balance	994	1,578
(ii) Transfer from retained earnings	2,947	2,750
(iii) Transfer to retained earnings	(2,347)	(3,334)
	1,594	994
Retained earnings		
(i) Opening balance	85,520	77,255
(ii) Transition impact of Ind AS 116 (Refer note 5)	(357)	
(iii) Profit for the year	32,340	31,472
(iv) Remeasurement of defined employee benefit plans	(339)	(48)

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
(v) Utilised for buy back of equity shares*	-	(15,992)
(vi) Expense relating to buy back of equity shares*	-	(45)
(vii) Issue of bonus shares*	-	(36)
(viii) Realised loss on equity shares carried at fair value through OCI	-	(1)
(ix) Transfer from Special Economic Zone re-investment reserve	2,547	[illegible]
(x) Transfer from general reserve*	-	[illegible]
(xi) Purchase of non-controlling interests	(93)	
	119,418	[illegible]
(xii) Less: Appropriations		
(a) Dividend on equity shares	31,896	10,065
(b) Tax on dividend	5,738	1,839
(c) Transfer to capital redemption reserve*	-	8
(d) Transfer to Special Economic Zone re-investment reserve	2,947	2,750
(e) Transfer to statutory reserve	27	90
	78,390	85,520
Statutory reserve		
(i) Opening balance	348	258
(ii) Transfer from retained earnings	27	90
	375	348

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Investment revaluation reserve		
(i) Opening balance	192	(84)
(ii) Realised loss on equity shares carried at fair value through OCI	-	1
(iii) Change during the year (net)	604	275
	796	192
Cash flow hedging reserve (Refer note 8(j))		
(i) Opening balance	104	(71)
(ii) Change during the year (net)	(127)	175
	(23)	104
Foreign currency translation reserve		
(i) Opening balance	1,380	1,474
(ii) Change during the year (net)	286	(94)
	1,666	1,380
	83,751	69,071

*Refer note 6(i)

(2) **Revenue recognition**

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

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

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

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

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the license, 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 is excess of revenue 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 is billings in excess of revenues.

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

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

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

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

Revenue disaggregation by nature of services is as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Consultancy services	154,829	143,935
Sale of equipment and software licences	2,120	2,528
	156,949	146,463

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

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

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹103,266 crore out of which 49.5% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	3,428	2,882
Revenue recognised during the year	15,548	11,404
Invoices raised during the year	(14,715)	(10,943)
Translation exchange difference	228	85
Balance at the end of the year	4,489	3,428

Changes in unearned and deferred revenue are as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	3,236	2,535
Revenue recognised that was included in the unearned and deferred revenue balance at the beginning of the year	(2,421)	(2,578)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	2,618	[illegible]
Translation exchange difference	179	61
Balance at the end of the year	3,612	3,236

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Contracted price	**158,977**	148,649
Reductions towards variable consideration components	**(2,028)**	(2,186)
Revenue recognised	**156,949**	146,463

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

Impact of COVID-19

While the Group believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from

- the inability of our customers to continue their businesses due to financial resource constraints or their services no longer being availed by their customers
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- customers not in a position to accept alternate delivery models using Secure Borderless Workspaces
- customers postponing their discretionary spend due to change in priorities.

The Group has assessed that customers in Retail, Travel, Transportation and Hospitality, Energy and Manufacturing verticals are more prone to immediate impact due to disruption in supply chain and drop in demand while customers in Banking, Financial Services and Insurance would re-prioritise their discretionary spend in immediate future to conserve resources and assess the impact that they would have due to dependence of revenues from the impacted verticals. The Group has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Group has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meeting its obligations. Such impact could be in the form of provision for onerous contracts or re-setting of revenue recognition in fixed price contracts where revenue is recognised on percentage-of-completion basis. The Group has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised SLAs in light of current crisis, invoking of force majeure clause etc., to ensure that revenue recognised in such cases reflect realisable values.

(k) **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, 2020	Year ended March 31, 2019
Interest income	**3,562**	2,762
Dividend income	**10**	10
Net gain on investments carried at fair value through profit or loss	**200**	427
Net gain on sale of investments other than equity shares carried at fair value through OCI	**14**	

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Net gain / (loss) on disposal of property, plant and equipment	46	10
Net foreign exchange gain / (loss)	727	967
Rent income	1	6
Other income	52	47
	4,592	4,311
Interest income comprise:		
Interest on bank balances and bank deposits	519	307
Interest on financial assets carried at amortised cost	613	576
Interest on financial assets carried at fair value through OCI	1,878	1,850
Other interest (including interest on tax refunds)	552	160
Dividend income comprises:		
Dividend from mutual fund units and other investments	10	10

14) Employee benefits

Defined benefit plans

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

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

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

Defined contribution plans

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

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

Short-term employee benefits

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

Compensated absences

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

Employee benefit expenses consist of the following:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, incentives and allowances	77,660	70,647
Contributions to provident and other funds	5,834	5,303
Staff welfare expenses	2,458	2,296
	85,952	78,246

Employee benefit obligations consist of the following:

Employee benefit obligations – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Gratuity liability	8	11
Foreign defined benefit plans	308	252
Other employee benefit obligations	101	87
	417	350

Employee benefit obligations – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Compensated absences	2,720	2,330
Other employee benefit obligations	29	26
	2,749	2,356

Employee benefit plans consist of the following:

Gratuity and pension

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

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

(₹ crore)

	Year ended March 31, 2020					Year ended March 31, 2019				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Change in benefit obligations										
Benefit obligations, beginning of the year	2,679	4	629	120	3,432	2,300	3	626	103	3,032
Translation exchange difference	–	–	55	5	60			(5)	1	(4)
Plan assumed on acquiring of employees	30		–	–	30					
Plan participants' contributions	–	–	9	–	9			6		6
Service cost	358	1	16	22	397	299	1	14	10	323
Interest cost	222	–	11	5	238	180		19	4	203
Remeasurement of the net defined benefit liability	520	4	43	2	569	39		25	(2)	62
Past service cost / (credit)	–	–	–	1	1			(35)	1	(34)
Benefits paid	(171)	(1)	(10)	(10)	(192)	(147)		(14)	(6)	(167)
Benefit obligations, end of the year	3,638	8	753	145	4,544	2,679	4	629	120	3,432

(₹ crore)

	Year ended March 31, 2020					Year ended March 31, 2019				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Change in plan assets										
Fair value of plan assets, beginning of the year	2,672	-	532	-	3,204	2,433		529		2,962
Translation exchange difference	-	-	41	-	41			(3)		(3)
Plan assumed on insourcing of employees	30	-	-	-	30					
Interest income	235	-	9	-	244	193		7		200
Employers' contributions	766	-	17	-	783	173		16		189
Plan participants' contribution	-	-	9	-	9			9		9
Benefits paid	(171)	-	(10)	-	(181)	(147)		(14)		(161)
Remeasurement - return on plan assets excluding amount included in interest income	111	-	29	-	140	22		(11)		11
Fair value of plan assets, end of the year	3,643	-	527	-	4,270	2,672	-	532	-	3,204

(₹ crore)

	As at March 31, 2020					As at March 31, 2019				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Funded status										
Deficit of plan assets over obligations	-	(8)	(163)	(145)	(316)	(7)	(4)	(112)	(120)	(243)
Surplus of plan assets over obligations	5	-	37	-	42			15		15
	5	(8)	(126)	(145)	(274)	(7)	(4)	(97)	(120)	(228)

(₹ crore)

	As at March 31, 2020					As at March 31, 2019				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Category of assets										
Corporate bonds	1,004	-	137	-	1,141	694		101		795
Equity instruments	17	-	-	-	17	20		67		87
Government bonds and securities	1,693	-	-	-	1,695	1,150				1,150
Insurer managed funds	852	-	275	-	1,127	[illegible]		82		[illegible]
Bank balances	-	-	6	-	6	3		16		[illegible]
Others	75	-	209	-	284	52		[illegible]		308
	3,643	-	627	-	4,270	2,672		532		3,204

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

(₹ crore)

	Year ended March 31, 2020					Year ended March 31, 2019				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Service cost	358	1	16	22	397	289	1	14	19	323
Net interest on net defined benefit (asset) / liability	(13)	-	2	5	(6)	(3)		2	4	3
Past service cost / (credit)	-	-	-	1	1	-		(35)	1	(34)
Net periodic gratuity / pension cost	345	1	18	28	392	286	1	(19)	24	292
Actual return on plan assets	346	-	38	-	384	225		(4)	-	221

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

(₹ crore)

	Year ended March 31, 2020				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	(5)	-	(5)	(9)	(19)
Actuarial (gains) and losses arising from changes in financial assumptions	345	1	47	10	403
Actuarial (gains) and losses arising from changes in experience adjustments	180	3	1	1	185
Remeasurement of the net defined benefit liability	520	4	43	2	569
Remeasurement - return on plan assets excluding amount included in interest income	(111)	-	(29)	-	(140)
	409	4	14	2	429

(₹ crore)

	Year ended March 31, 2019				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	(17)		9	(3)	(11)
Actuarial (gains) and losses arising from changes in financial assumptions			(45)	2	(43)
Actuarial (gains) and losses arising from changes in experience adjustments	76		61	(1)	136
Remeasurement of the net defined benefit liability	59		25	(2)	82
Remeasurement - return on plan assets excluding amount included in interest income	(42)		11		(31)
	17		36	(2)	51

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

	Year ended March 31, 2020		Year ended March 31, 2019	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	5.25%-6.75%	0.60%-8.05%	[illegible]	[illegible]
Rate of increase in compensation levels of covered employees	4.00%-7.00%	1.25%-7.00%	[illegible]	[illegible]
Rate of return on plan assets	5.25%-6.75%	0.60%-8.05%	[illegible]	[illegible]
Weighted average duration of defined benefit obligations	3-18 years	6-26.10 years	[illegible]	[illegible]

The expected benefits are based on the same assumptions as are used to measure Group's defined benefit plan obligations as at March 31, 2020. The Group is expected to contribute ₹445 crore to defined benefit plan obligations funds for the year ending March 31, 2021 comprising domestic component of ₹425 crore and foreign component of ₹20 crore.

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

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Increase of 0.50%	(236)	(157)
Decrease of 0.50%	262	175

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Increase of 0.50%	177	170
Decrease of 0.50%	(165)	(115)

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 year ended March 31, 2020 as follows:

(₹ crore)

Year ending March 31,	Defined benefit obligations
2021	312
2022	327
2023	360
2024	395
2025	450
Thereafter	2,746

Provident fund

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

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

The details of fund and plan assets are given below:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets	17,072	14,555
Present value of defined benefit obligations	(17,072)	(14,555)
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, 2020	As at March 31, 2019
Discount rate	6.50%	7.25%
Average remaining tenure of investment portfolio	7.73 years	8.38 years
Guaranteed rate of return	8.50%	8.65%

The Group contributed ₹1,106 crore and ₹917 crore for the years ended March 31, 2020 and 2019, respectively, to the provident fund.

Superannuation

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

The Group contributed ₹356 crore and ₹374 crore for the years ended March 31, 2020 and 2019, respectively, to the Employees' Superannuation Fund.

Foreign defined contribution plans

The Group contributed ₹1,269 crore and ₹1,183 crore for the years ended March 31, 2020 and 2019, respectively, towards foreign defined contribution plans.

15) **Cost recognition**

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

The costs of the Group are broadly categorised into employee benefit expenses, cost of equipment and software licences, depreciation and amortisation 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 doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

(a) **Cost of equipment and software licences**

Cost of equipment and software licences consist of the following:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Raw materials, sub-assemblies and components consumed	18	40
Equipment and software licences purchased	1,888	2,230
	1,906	2,270
Finished goods and work-in-progress		
Opening stock*	-	-
Less: Closing stock*	1	-
	(1)	-
	1,905	2,270

*Represents value less than ₹0.50 crore

(b) **Other expenses**

Other expenses consist of the following:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Fees to external consultants	12,937	11,590
Facility expenses	2,703	4,212
Travel expenses	3,296	3,474
Communication expenses	1,592	1,529
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	144	102
Other expenses	6,312	5,062
	26,983	26,441

The Company made a contribution to an electoral trust of Nil and ₹220 crore for the years ended March 31, 2020 and 2019, respectively, which is included in other expenses.

(c) **Research and development expenditure**

Research and development expenditure including capital expenditure aggregating ₹306 crore and ₹308 crore was incurred in the years ended March 31, 2020 and 2019 respectively.

(6) **Finance costs**

Finance costs consist of the following:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on lease liabilities	452	8
Interest on tax matters	394	169
Other interest costs	78	21
	924	198

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

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

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

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

Deferred income taxes

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

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

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

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

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

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

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

Deferred tax assets include Minimum 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, 2020	Year ended March 31, 2019
Current tax		
Current tax expense for current year	9,730	10,074
Current tax expense / (benefit) pertaining to prior years	648	(572)
	10,378	9,502
Deferred tax		
Deferred tax expense for current year	899	607
Deferred tax benefit pertaining to prior years	(1,476)	(108)
	(577)	499
Total income tax expense recognised in current year	9,801	10,001

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before taxes	42,248	41,563
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	14,764	14,524
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(4,879)	(3,829)
Income exempt from tax	(285)	(151)
Undistributed earnings in branches and subsidiaries	428	706
Tax on income at different rates	152	624
Tax pertaining to prior years	(828)	(680)
Others (net)	449	(192)
Total income tax expense	9,801	10,001

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

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment and intangible assets	95	50	-	-	145
Provision for employee benefits	531	101	5	17	654
Cash flow hedges	(12)	-	19	-	7
Receivables, financial assets at amortised cost	340	44	-	3	388
MAT credit entitlement	1,170	(96)	-	-	1,074
Branch profit tax	(299)	15	-	-	(284)
Undistributed earnings of subsidiaries	(574)	288	-	-	(286)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(149)	(1)	(334)	-	(484)
Lease liabilities*	264	80	-	1	345
Others	418	94	-	(22)	490
Total deferred tax assets / (liabilities)	1,784	577	(310)	(2)	2,049

*Opening balance of deferred tax on lease liabilities has been restated by ₹170 crore to give impact of transition to Ind AS 116 (Refer note 9)

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2020	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	279	134	145
Provision for employee benefits	663	9	654
Cash flow hedges	7	-	7
Receivables, financial assets at amortised cost	387	(1)	388
MAT credit entitlement	1,074	-	1,074
Branch profit tax	-	284	(284)
Undistributed earnings of subsidiaries	-	286	(286)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(483)	1	(484)
Lease liabilities	342	(3)	345
Others	559	69	490
Total deferred tax assets / (liabilities)	2,828	779	2,049

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment and intangible assets	[illegible]	[illegible]		[illegible]	[illegible]
Provision for employee benefits	[illegible]	[illegible]	[illegible]		[illegible]
Cash flow hedges	[illegible]	-	[illegible]		[illegible]
Receivables, financial assets at amortised cost	[illegible]	[illegible]	-	[illegible]	[illegible]
MAT credit entitlement	[illegible]	[illegible]			1170
Branch profit tax	[illegible]	[illegible]			[illegible]
Undistributed earnings of subsidiaries	[illegible]	[illegible]			[illegible]
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	[illegible]		[illegible]	[illegible]	[illegible]
Lease liabilities	[illegible]	[illegible]			[illegible]
Others	[illegible]	[illegible]		[illegible]	[illegible]
Total deferred tax assets / (liabilities)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2019	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	212	117	95
Provision for employee benefits	532	1	531
Cash flow hedges	(12)	-	(12)
Receivables, financial assets at amortised cost	539	(1)	540
MAT credit entitlement	1,170	-	1170
Branch profit tax	-	299	(299)
Undistributed earnings of subsidiaries	-	574	(574)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(349)	-	(349)
Lease liabilities	94	-	94
Others	470	52	418
Total deferred tax assets / (liabilities)	2,656	1,042	1,614

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

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

(₹ crore)

March 31,	Unabsorbed business losses
2021	11
2022	4
2023	5
2024	12
2025	7
Thereafter	-
	39

Under the Income-tax Act, 1961, Tata Consultancy Services Limited is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. Accordingly, Tata Consultancy Services Limited has recognised a deferred tax asset of ₹1,074 crore.

Deferred tax liability on temporary differences of ₹9,932 crore as at March 31, 2020, associated with investments in subsidiaries, has not been recognised, as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

Direct tax contingencies

The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received. The Company and its subsidiaries have contingent liability of ₹1,517 crore and ₹1,304 crore as at March 31, 2020 and 2019, respectively, in respect of tax demands which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants. In respect of tax contingencies of ₹281 crore and ₹281 crore as at March 31, 2020 and 2019, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2017 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2016 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2017 and earlier.

18) **Earnings per share**

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

	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year attributable to shareholders of the Company (₹ crore)	32,340	31,472
Weighted average number of equity shares	375,23,84,706	[illegible]
Basic and diluted earnings per share (₹)	86.19	83.05
Face value per equity share (₹)	1	1

19) **Segment information**

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

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

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

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

Summarised segment information for the years ended March 31, 2020 and 2019 is as follows:

(₹ crore)

	Year ended March 31, 2020					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	61,098	16,468	26,280	25,978	27,125	156,949
Segment result	16,850	6,445	6,870	7,703	6,141	42,109
Total unallocable expenses						4,453
Operating income						37,656
Other income						4,592
Profit before tax						42,248
Tax expense						9,801
Profit for the year						32,447
Depreciation and amortisation expense (unallocable)						3,529
Significant non-cash items (allocable)	(2)		18	8	120	144

(₹ crore)

	Year ended March 31, 2019					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Segment result	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Unallocable expenses						[illegible]
Operating income						[illegible]
Other income						[illegible]
Profit before tax						[illegible]
Tax expense						[illegible]
Profit for the year						[illegible]
Depreciation and amortisation expense	[illegible]				[illegible]	[illegible]
Depreciation and amortisation expense (unallocable)						[illegible]
Significant non-cash expense (allocable)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Unallocable expenses for current year include impact of Ind AS 116 adoption.

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

Information regarding geographical revenue is as follows:

(₹ crore)

Geography	Year ended March 31, 2020	Year ended March 31, 2019
Americas (1)	82,000	77,562
Europe (2)	48,037	43,456
India	8,964	8,393
Others	17,948	17,052
	156,949	146,463

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

Information regarding geographical non-current assets is as follows:

(₹ crore)

Geography	As at March 31, 2020	As at March 31, 2019
Americas (3)	2,596	1,559
Europe (4)	3,382	2,290
India	18,920	14,313
Others	1,109	539
	26,007	18,655

- (1) and (3) are substantially related to operations in the United States of America.
- (2) includes revenue in the United Kingdom of ₹24,099 crore and ₹22,862 crore for the years ended March 31, 2020 and 2019, respectively.

- (4) includes non-current assets in the United Kingdom of ₹3,245 crore and ₹879 crore as at March 31, 2020 and 2019, respectively.

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2020 and 2019, respectively.

20) Commitments and contingent liabilities

Capital commitments

The Group has contractually committed (net of advances) ₹1,596 crore and ₹1,289 crore as at March 31, 2020 and 2019, respectively for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

  Refer note 17.

- **Indirect tax matters**

  The Company and its subsidiaries have ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company and its subsidiaries in India have demands amounting to ₹517 crore and ₹512 crore as at March 31, 2020 and 2019, respectively from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

- **Other claims**

  Claims aggregating ₹271 crore and ₹185 crore as at March 31, 2020 and 2019, respectively, against the Group have not been acknowledged as debts.

  In addition to above in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin for alleged infringement of Epic's proprietary information. In April 2016, the Company received an unfavourable jury verdict awarding damages totaling ₹7,091 crore (US $940 million) to Epic. In September 2017, the Company received a Court order reducing the damages from ₹7,091 crore (US $940 million) to ₹3,168 crore (US $420 million) to Epic. Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹3,319 crore (US $440 million) as financial security in order to stay execution of the judgment pending post-judgment proceedings and appeal. Pursuant to reaffirmation of the Court order in March 2019, the Company has filed a notice of appeal in the superior Court to fully set aside the Order. Epic has also filed a cross appeal challenging the reduction by the trial judge of ₹754 crore (US $100 million) award and ₹1,509 crore (US $200 million) in punitive damages. The Company has received legal advice to the effect that the order and the reduced damages awarded are not supported by evidence presented during the trial.

- **Letter of comfort**

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

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

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

Name of the entity	Country of incorporation	% of voting power as at March 31, 2020	% of voting power as at March 31, 2019	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
Tata Consultancy Services Limited	India			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Subsidiaries (held directly)											
Indian											
APTOnline Limited	India	89.00	89.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
MP Online Limited	India	89.00	89.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
C-Edge Technologies Limited	India	74.00	74.00	0.27	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
MahaOnline Limited	India	74.00	74.00	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
TCS e-Serve International Limited	India	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TCS Foundation	India	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Foreign											
Diligenta Limited	UK	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00	[illegible]	[illegible]	1.35	[illegible]			[illegible]	[illegible]
Tata America International Corporation	USA	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services Belgium	Belgium	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00	0.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
TCS FNS Pty Limited	Australia	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]

Name of the entity	Country of incorporation	% of voting power as at March 31, 2020	% of voting power as at March 31, 2019	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
TCS Iberoamerica SA	Uruguay	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	[illegible]	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
CMC Americas, Inc.	USA	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services Qatar LLC	Qatar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
W12 Studios Limited	UK	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Subsidiaries (held indirectly)											
Foreign											
TCS e-Serve America, Inc.	USA	100.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services (China) Co., Ltd.	China	93.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services Japan, Ltd.	Japan	66.00	51.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
TCS Italia s.r.l.	Italy	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00	[illegible]	[illegible]						

Name of the entity	Country of incorporation	% of voting power as at March 31, 2020	% of voting power as at March 31, 2019	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
Tata Consultancy Services Danmark ApS	Denmark	100.00	100.00	[illegible]	[illegible]	-	[illegible]	-	-	-	[illegible]
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services (Portugal) Unipessoal Limitada	Portugal	100.00	100.00			[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services France SA	France	100.00	100.00	(0.45)	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]
Tata Consultancy Services Saudi Arabia	Saudi Arabia	76.00	76.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
TCS Business Services GmbH (w.e.f. March 5, 2020)	Germany	100.00	-								
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
TCS Financial Solutions Australia Holdings Pty Limited (upto January 30, 2020)	Australia	-	100.00			[illegible]	[illegible]			[illegible]	[illegible]
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
TCS Solution Center S.A.	Uruguay	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
TCS Uruguay S.A.	Uruguay	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]		-	[illegible]	[illegible]
Tata Consultancy Services Argentina S.A.	Argentina	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]		-	[illegible]	[illegible]
MGDC S.C.	Mexico	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TCS Inversiones Chile Limitada	Chile	100.00	100.00	[illegible]	[illegible]	[illegible]	[illegible]		-	[illegible]	[illegible]

Name of the entity	Country of incorporation	% of voting power as at March 31, 2020	% of voting power as at March 31, 2019	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trusts	India			[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
TOTAL				100.00	90,725	100.00	37,109	100.00	140	100.00	37,249
a) Adjustments arising out of consolidation					(5,976)		(4,662)		324		(4,338)
b) Non-controlling interests											
Indian subsidiaries											
[illegible]					[illegible]		[illegible]				[illegible]
[illegible]					[illegible]		[illegible]				[illegible]
[illegible]					[illegible]		[illegible]				[illegible]
[illegible]					[illegible]		[illegible]				[illegible]
Foreign subsidiaries											
[illegible]					[illegible]		[illegible]		[illegible]		[illegible]
[illegible]					[illegible]		[illegible]		[illegible]		[illegible]
TOTAL					(623)		(107)		(40)		(147)
TOTAL					84,126		32,340		424		32,764

22) **Related party transactions**

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

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

Transactions with related parties are as follows:

(₹ crore)

	Year ended March 31, 2020				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue	31	432	2,193	-	2,656
Purchases of goods, services and facilities (including reimbursement)	1	556	457		1,014
Brand equity contribution	162	-	-	-	162
Facility expenses	-	3	1	-	4
Lease rental	2	68	26	-	96
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	1	-	-	-	1
Contribution and advance to post employment benefit plans	-	-	-	2,684	2,684
Purchase of property, plant and equipment	-	218	110	-	328
[illegible]	-	4	25	-	29
[illegible]	-	3	30	-	33
Dividend paid	22,971	9	-	-	22,980

(₹ crore)

	Year ended March 31, 2019				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue	[illegible]	[illegible]	[illegible]		[illegible]
Purchases of goods and services (including reimbursement)	[illegible]	[illegible]	[illegible]		[illegible]
Brand equity contribution	107				107
Facility expenses	[illegible]	[illegible]	[illegible]		[illegible]
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)		[illegible]			[illegible]
Contribution and advance to post employment benefit plans				[illegible]	[illegible]
Purchase of property, plant and equipment		[illegible]	[illegible]		[illegible]
Loans and advances given		[illegible]	[illegible]		[illegible]
Loans and advances repaid			[illegible]		[illegible]
Dividend paid	[illegible]	[illegible]			[illegible]
Buy-back of shares	[illegible]	[illegible]			[illegible]
Issue of bonus shares*					-

*Refer note 1(c)

Material related party transactions are as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue		
Jaguar Land Rover Limited	1,142	662
Jaguar Cars Limited (dormant)	9	679

Material related party balances are as follows:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Trade receivables, unbilled receivables and contract assets		
Jaguar Land Rover Limited	209	562

Balances receivable from related parties are as follows:

(₹ crore)

	As at March 31, 2020			
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade receivables, unbilled receivables and contract assets	4	246	681	931
Loans receivables, other financial assets and other assets	10	30	65	105
	14	276	746	1,036

(₹ crore)

	As at March 31, 2019			
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade receivables, unbilled receivables and contract assets	5	[illegible]	[illegible]	[illegible]
Loans receivables, other financial assets and other assets	[illegible]	[illegible]	[illegible]	[illegible]
	11	[illegible]	[illegible]	[illegible]

Balances payable to related parties are as follows:

(₹ crore)

	As at March 31, 2020			
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	148	246	244	638
Commitments	-	11	367	378

(₹ crore)

	As at March 31, 2019			
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	[illegible]	[illegible]	[illegible]	[illegible]
Commitments	[illegible]	[illegible]	[illegible]	[illegible]

Transactions with key management personnel are as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Short-term benefits	28	33
Dividend paid during the year	2	1
	30	34

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

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

23) The sitting fees and commission paid to non-executive directors is ₹9 crore and ₹12 crore as at March 31, 2020 and 2019 respectively.

24) The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Group believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019 in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Group will evaluate its position and act, as clarity emerges.

25) **Subsequent event**

Dividends paid during the year ended March 31, 2020 include an amount of ₹18 per equity share towards final dividend for the year ended March 31, 2019 and an amount of ₹67 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2020. Dividends paid during the year ended March 31, 2019 include an amount of ₹29 per equity share towards final dividend for the year ended March 31, 2018 and an amount of ₹12 per equity share towards interim dividends for the year ended March 31, 2019.

Dividends declared by the Company are based on profits available for distribution. On April 16, 2020, the Board of Directors of the Company have proposed a final dividend of ₹6 per share in respect of the year ending March 31, 2020 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹2,251 crore.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: [illegible]

Yezdi Nagporewalla
Partner
Membership No: [illegible]

Mumbai, April 16, 2020

For and on behalf of the Board

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Unconsolidated Financial Statements

Independent Auditors' Report

To the Members of

Tata Consultancy Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Tata Consultancy Services Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2020, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Description of Key Audit Matters

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Fixed price contracts	
The Company inter alia engages in Fixed-price contracts, wherein, revenue is recognized using the percentage of completion computed as per the input method based on the Company's estimate of contract costs (Refer Note 4(g) and Note 18 to the standalone financial statements). We identified revenue recognition of fixed price contracts as a Key Audit Matter since – • there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognised considering the customised and complex nature of these contracts and significant reliance on IT systems; • application of revenue recognition accounting standard (Ind AS 115, Revenue from Contracts with Customers) is complex and involves a number of key judgments and estimates mainly in identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation; • these contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company; and	Our audit procedures on revenue recognised from fixed price contracts included: • Obtained an understanding of the systems, processes and controls implemented by Company for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances. • Involved our Information technology ("IT") specialists: ➢ Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised. ➢ Tested the IT controls over appropriateness of cost and revenue reports generated by the system; and ➢ Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorised recording/changes to costs incurred and controls relating to the estimation of contract costs required to complete the respective projects.

Key audit matters	How our audit addressed the key audit matter
• at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet.	• On selected specific/statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard – ➢ Evaluated the identification of performance obligations and the ascribed transaction price; ➢ Tested Company's computation of the estimation of contract costs and revenue allocations, if any. We: ➢ assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel; ➢ performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract; ➢ assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and ➢ inspected underlying documents and performed analytics to determine reasonableness of contract costs.

Key audit matters	How our audit addressed the key audit matter
Evaluation of key tax matters	
The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant judgment by the Company to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. Refer Note 4(g) and Note 18 to the standalone financial statements.	Our audit procedures include the following substantive procedures: • Obtained an understanding of key tax matters; and • The audit team along with our internal tax experts: ➢ read and analysed select key correspondences, external legal opinions / consultations obtained by Company for key tax matters; ➢ evaluated and challenged key assumptions made by the Company in estimating the current and deferred tax balances; ➢ assessed and challenged the Company's estimate of the possible outcome of the disputed cases, by considering legal precedence and other judicial rulings; and ➢ Assessed and tested the presentation and disclosures relating to taxes.
Adoption of Ind AS 116 Leases	
As described in Note 7 to the standalone financial statements, the Company has adopted Ind AS 116, Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract / arrangement. Adoption of the standard involves significant judgments and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 4(h) and Note 7 to the standalone financial statements.	Our audit procedures on adoption of Ind AS 116 include: • Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116); • Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business; • Involved our specialists to evaluate the reasonableness of the discount rates applied in determining the lease liabilities; • Upon transition as at 1 April 2019: ➢ Evaluated the method of transition and related adjustments; ➢ Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities. • On a statistical sample, we performed the following procedures: ➢ assessed the key terms and conditions of each lease with the underlying lease contracts; and ➢ evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term. • Assessed and tested the presentation and disclosures relating to Ind AS 116, including disclosures relating to transition.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

      (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

      (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

      (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 19 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

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

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

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

Yezdi Nagporewalla
Partner
Membership No: 049265
UDIN: 20049265AAAAAK1814

Mumbai
16 April 2020

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

In respect of immovable properties taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (₹ in crore) **	Period	Forum where dispute is pending
The Income-tax Act, 1961	Income-tax	1,222	Assessment Year - 2007-08, 2011-12, 2015-16	Commissioner of Income Tax (Appeals)
		193	Assessment Year - 2006-07	Income-Tax Appellate Tribunal
The Central Sales Tax Act, 1956 and Value Added Tax Act	Sales tax and VAT	218	Financial Year - 1994-1995, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016	High Court
		8	Financial Year - 1990-1991, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2011-2012, 2012-2013	Tribunal
		-*	Financial Year - 1995-1996, 1997-1998, 2004-2005, 2005-2006, 2011-2012	Assistant Commissioner
		5	Financial Year - 1994-1995, 2005-2006, 2008-2009, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017	Deputy Commissioner
		9	Financial Year - 1997-1998, 2005-2006, 2013-2014, 2014-2015, 2015-2016, 2016-2017	Joint Commissioner
		-*	Financial Year - 2007-2008	Additional Commissioner
		-*	Financial Year - 2012-2013	Commissioner
The Finance Act, 1994	Service tax	-*	Financial Year - 2002-2003, 2003-2004, 2004-2005	Commissioner Appeals
		207.49	Financial Year - 2006-2007, 2007-2008, 2009-2010, 2010-2011, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018	Tribunal

*Indicates amount less than ₹0.50 crore

**These amounts are net of amount paid/ adjusted under protest ₹766 crore

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Yezdi Nagporewalla
Partner
Membership No: 049265
UDIN: 20049265AAAAAK1814

Mumbai
16 April 2020

Annexure B to the Independent Auditors' Report on the standalone financial statements of Tata Consultancy Services Limited

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Tata Consultancy Services Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

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

Yezdi Nagporewalla
Partner
Membership No: 049265
UDIN: 20049265AAAAAK1614

Mumbai
16 April 2020

Standalone Balance Sheet

(₹ crore)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	[illegible]	9,835	[illegible]
Capital work-in-progress		781	[illegible]
Right-of-use assets	[illegible]	6,048	[illegible]
Intangible assets	[illegible]	239	[illegible]
Financial assets			
Investments	[illegible]	2,189	[illegible]
Trade receivables	[illegible]	74	[illegible]
Unbilled receivables		324	[illegible]
Loans receivables	[illegible]	2	[illegible]
Other financial assets	[illegible]	624	[illegible]
Income tax assets (net)		2,020	[illegible]
Deferred tax assets (net)	[illegible]	2,219	[illegible]
Other assets	[illegible]	1,426	[illegible]
Total non-current assets		25,781	[illegible]
Current assets			
Inventories	[illegible]	5	[illegible]
Financial assets			
Investments	[illegible]	25,686	[illegible]
Trade receivables	[illegible]	28,660	[illegible]
Unbilled receivables		4,763	[illegible]
Cash and cash equivalents	[illegible]	3,852	[illegible]
Other balances with banks	[illegible]	972	[illegible]
Loans receivables	[illegible]	7,270	[illegible]
Other financial assets	[illegible]	1,448	[illegible]
Other assets	[illegible]	6,538	[illegible]
Total current assets		79,194	[illegible]
TOTAL ASSETS		104,975	[illegible]
EQUITY AND LIABILITIES			
Equity			
Share capital	[illegible]	375	[illegible]
Other equity	[illegible]	73,993	[illegible]
Total equity		74,368	[illegible]

Standalone Balance Sheet

(₹ crore)

	Note	As at March 31, 2020	As at March 31, 2019
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		5,262	[illegible]
Other financial liabilities	[illegible]	237	[illegible]
Unearned and deferred revenue		644	[illegible]
Employee benefit obligations	[illegible]	91	[illegible]
Deferred tax liabilities (net)	[illegible]	347	[illegible]
Other liabilities	[illegible]	-	[illegible]
Total non-current liabilities		6,581	[illegible]
Current liabilities			
Financial liabilities			
Lease liabilities		848	
Trade payables			
Dues of micro enterprises and small enterprises	[illegible]	-	[illegible]
Dues of creditors other than micro enterprises and small enterprises		5,734	[illegible]
Other financial liabilities	[illegible]	4,694	[illegible]
Unearned and deferred revenue		2,271	[illegible]
Provisions	[illegible]	235	[illegible]
Employee benefit obligations	[illegible]	2,057	[illegible]
Income tax liabilities (net)		3,139	[illegible]
Other liabilities	[illegible]	2,048	[illegible]
Total current liabilities		24,026	[illegible]
TOTAL EQUITY AND LIABILITIES		104,975	[illegible]

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
[illegible]
[illegible]

Yezdi Nagporewalla
Partner
[illegible]

Mumbai, April [illegible], 2020

For and on behalf of the Board

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Standalone Statement of Profit and Loss

(₹ crore)

	Note	Year ended March 31, 2020	Year ended March 31, 2019
[illegible]	[illegible]	131,306	[illegible]
[illegible]	[illegible]	8,082	[illegible]
TOTAL INCOME		139,388	[illegible]
Expenses			
Employee benefit expenses	[illegible]	64,906	[illegible]
[illegible]	[illegible]	1,596	[illegible]
[illegible]		2,701	[illegible]
[illegible]	[illegible]	27,451	[illegible]
[illegible]	[illegible]	743	[illegible]
TOTAL EXPENSES		97,397	[illegible]
PROFIT BEFORE TAX		41,991	[illegible]
Tax expense			
Current tax	[illegible]	9,012	[illegible]
Deferred tax	[illegible]	(281)	[illegible]
TOTAL TAX EXPENSE		8,731	[illegible]
PROFIT FOR THE YEAR		33,260	[illegible]
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
[illegible]		(400)	[illegible]
[illegible]		-	[illegible]
Income tax on items that will not be reclassified subsequently to profit or loss		86	[illegible]
Items that will be reclassified subsequently to profit or loss			
[illegible]		958	[illegible]
[illegible]		(94)	[illegible]
[illegible]		(82)	[illegible]
Income tax on items that will be reclassified subsequently to profit or loss		(315)	[illegible]
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		174	[illegible]
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		33,434	[illegible]
[illegible]	[illegible]	88.64	[illegible]
[illegible]		375,23,84,706	[illegible]

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

[illegible]

For **B S R & Co. LLP**
[illegible]

N Chandrasekaran
[illegible]

Rajesh Gopinathan
[illegible]

Keki M Mistry
[illegible]

Yezdi Nagporewalla
[illegible]

V Ramakrishnan
[illegible]

Rajendra Moholkar
[illegible]

[illegible]

Standalone Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2018	Changes in equity share capital during the year*	Balance as at March 31, 2019
191	184	375

(₹ crore)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
375	–	375

*Refer note 6(m)

B. OTHER EQUITY

(₹ crore)

	Reserves and surplus				Items of other comprehensive income			Total equity
	Capital reserve[1]	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve: Intrinsic value	Cash flow hedging reserve: Time value	
Balance as at April 1, 2018		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit for the year				[illegible]				[illegible]
Other comprehensive income / (losses)				(54)	[illegible]	[illegible]	[illegible]	[illegible]
Total comprehensive income			-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]				[illegible]
[illegible]		[illegible]		[illegible]				[illegible]
[illegible]		[illegible]		[illegible]				[illegible]
[illegible]		[illegible]		[illegible]				[illegible]
[illegible]				[illegible]	[illegible]			
[illegible]			[illegible]	[illegible]		-		
[illegible]		–	(1,574)	1,574		-		
Balance as at March 31, 2019		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Standalone Statement of Changes in Equity

(₹ crore)

	Reserves and surplus				Items of other comprehensive income			Total equity
	Capital reserve[1]	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve: Intrinsic value	Cash flow hedging reserve: Time value	
Balance as at April 1, 2019	-	8	994	77,159	258	134	(30)	78,523
Impact on account of adoption of Ind AS 116	-	-	-	(330)	-	-	-	(330)
Restated balance as at April 1, 2019	-	8	994	76,829	258	134	(30)	78,193
Profit for the year	-	-	-	33,260	-	-	-	33,260
Other comprehensive income / (losses)	-	-	-	(323)	624	(89)	(38)	174
Total comprehensive income	-	-	-	32,937	624	(89)	(38)	33,434
Dividend (including tax on dividend of ₹[illegible] crore)	-	-	-	(37,634)	-	-	-	(37,634)
Transfer to Special Economic Zone re-investment reserve	-	-	2,947	(2,947)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	(2,347)	2,347	-	-	-	-
Balance as at March 31, 2020	-	8	1,594	71,532	882	45	(68)	73,993

[1]Refer note 6(m)

[2]Refer note 7

[3]Represents values less than ₹0.50 crore

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. 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.

e. 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 THE STANDALONE 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

Yezdi Nagporewalla
Partner
Membership no: 049265

Mumbai, April 16, 2020

N Chandrasekaran
Chairman

V Ramakrishnan
CFO

Rajesh Gopinathan
CEO and Managing Director

Rajendra Moholkar
Company Secretary

Keki M Mistry
Director

Standalone Statement of Cash Flows

(₹ crore)

	Year ended March 31, 2020	[illegible]
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	33,260	[illegible]
Adjustments to reconcile profit and loss to net cash provided by operating activities		
[illegible]	2,701	[illegible]
[illegible]	132	[illegible]
[illegible]	8,731	[illegible]
[illegible]	(4)	[illegible]
[illegible]	(130)	[illegible]
[illegible]	(90)	[illegible]
[illegible]	(187)	[illegible]
[illegible]	(3,197)	[illegible]
[illegible]	(3,995)	[illegible]
[illegible]	743	[illegible]
Operating profit before working capital changes	37,994	[illegible]
Net change in		
[illegible]	5	[illegible]
[illegible]	(4,736)	[illegible]
[illegible]	(311)	[illegible]
[illegible]	(72)	[illegible]
[illegible]	(3,072)	[illegible]
[illegible]	1,042	[illegible]
[illegible]	449	[illegible]
[illegible]	1,183	[illegible]
[illegible]	487	[illegible]
Cash generated from operations	32,969	[illegible]
[illegible]	(6,366)	[illegible]
Net cash generated from operating activities	26,603	[illegible]
CASH FLOWS FROM INVESTING ACTIVITIES		
[illegible]	(4,990)	[illegible]
[illegible]	(13,494)	[illegible]
[illegible]	(77,191)	[illegible]
[illegible]	(1,951)	[illegible]
[illegible]	(519)	[illegible]
[illegible]	(172)	[illegible]
[illegible]	11,612	[illegible]
[illegible]	13,400	[illegible]
[illegible]	80,845	[illegible]
[illegible]	130	[illegible]
[illegible]	3,353	[illegible]
[illegible]	3,995	[illegible]
[illegible]	-	[illegible]
Net cash generated from investing activities	12,829	[illegible]
CASH FLOWS FROM FINANCING ACTIVITIES		
[illegible]	-	[illegible]
[illegible]	-	[illegible]
[illegible]	-	[illegible]
[illegible]	(37,634)	[illegible]
[illegible]	(668)	[illegible]
[illegible]	(743)	[illegible]
Net cash used in financing activities	(39,045)	[illegible]
Net change in cash and cash equivalents	387	[illegible]
[illegible]	3,327	[illegible]
[illegible]	138	[illegible]
Cash and cash equivalents at the end of the year (Refer note 6(c))	3,852	[illegible]

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

[illegible]

For B S R & Co. LLP
[illegible]

Yezdi Nagporewalla
[illegible]

N Chandrasekaran
[illegible]

V Ramakrishnan
[illegible]

Rajesh Gopinathan
[illegible]

Rajendra Moholkar
[illegible]

[illegible] M Mistry
[illegible]

[illegible]

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 for the last fifty years. 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, 2020, Tata Sons Private Limited, the holding company owned 72.05% of the Company's equity share capital.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2020 and authorised for issue on April 16, 2020.

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 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 have been prepared under indirect method.

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 date 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 significant accounting policies used in preparation of the standalone financial statements have been discussed in the respective notes.

4) Use of estimates and judgements

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense 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 estimates in preparation of its financial statements:

a. Revenue recognition

i. 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 for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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.

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. **Provision for income tax and deferred tax assets**

The Company uses estimates and 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.

f. **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 disclose 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 financial statements.

g. **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.

h. **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 judgment. 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 Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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. 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 financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Investment in subsidiaries

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

Financial liabilities

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

Equity instruments

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

Derivative accounting

- **Instruments in hedging relationship**

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

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

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

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

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, 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-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(a) **Investments**

Investments consist of the following:

Investments - Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Investment in subsidiaries		
Fully paid equity shares (unquoted)	2,189	2,209
Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)		
Taj Air Limited	19	19
Less: Impairment in value of investments	(19)	(19)
	2,189	2,209

Investments - Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	1,264	2,959
Mutual fund units (unquoted)	-	43
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	24,290	23,570
Corporate bonds (quoted)	132	1,208
Investments carried at amortised cost		
Certificate of deposits (quoted)	-	480
	25,686	28,260

Aggregate value of quoted and unquoted investments is as follows:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Aggregate value of quoted investments	25,686	28,217
Aggregate value of unquoted investments (net of impairment)	2,189	2,252
Aggregate market value of quoted investments	25,686	28,218
Aggregate value of impairment of investments	19	19

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Certificate of deposits	-	480

(₹ crore)

Subsidiaries	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2020	As at March 31, 2019
			Fully paid equity shares (unquoted)		
[illegible]	[illegible]	[illegible]	[illegible]	461	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
[illegible]	[illegible]		[illegible]	1	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	405	[illegible]

(₹ crore)

In numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2020	As at March 31, 2019
[illegible]	[illegible]	[illegible]	Tata Consultancy Services [illegible]	19	[illegible]
1	[illegible]	[illegible]	Tata Consultancy Services [illegible]	2	[illegible]
[illegible]	[illegible]	[illegible]	Tata America International Corporation	453	[illegible]
[illegible]	[illegible]	[illegible]	Tata Consultancy Services Asia Pacific Pte Ltd.	19	[illegible]
[illegible]	[illegible]	[illegible]	[illegible] Pty Limited	212	[illegible]
[illegible]	[illegible]	[illegible]	[illegible] Limited	429	[illegible]
[illegible]	[illegible]	[illegible]	Tata Consultancy Services [illegible]*	-	[illegible]
[illegible]	CAD	[illegible]	Tata Consultancy Services Canada Inc.	31	[illegible]
[illegible]	[illegible]	[illegible]	C-Edge Technologies Limited	5	[illegible]
[illegible]	[illegible]	[illegible]	[illegible] Limited	1	[illegible]
[illegible]	[illegible]	1	Tata Consultancy Services (Africa) (PTY) Ltd.	66	[illegible]
[illegible]	[illegible]	[illegible]	MahaOnline Limited	2	[illegible]
[illegible]	[illegible]	[illegible]	Tata Consultancy Services Qatar S.S.C.	2	[illegible]

(₹ crore)

In numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2020	As at March 31, 2019
[illegible]	[illegible]	[illegible]	CMC Americas, Inc.	8	[illegible]
[illegible]	[illegible]	[illegible]	TCS e-Serve International Limited	10	[illegible]
[illegible]	[illegible]	[illegible]	[illegible] Limited (w.e.f. October [illegible] 2019)	66	[illegible]
[illegible]	[illegible]	[illegible]	TCS Foundation	-	[illegible]
				2,189	[illegible]

(₹ crore)

In numbers	Currency	Face value per share	Investments designated at fair value through OCI	As at March 31, 2020	As at March 31, 2019
			Fully paid equity shares (unquoted)		
[illegible]	[illegible]	10	Taj Air Limited	19	[illegible]
			Less: Impairment in value of investment	(19)	[illegible]
				-	[illegible]

*Represents value less than ₹0.50 crore

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	258	(70)
Net gain / (loss) arising on revaluation of financial assets carried at fair value	-	(1)
Net cumulative (gain) / loss reclassified to retained earnings on sale of financial assets carried at fair value	-	1
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	972	475
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(340)	(147)
Net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	(14)	-
Deferred tax relating to net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	6	-
Balance at the end of the year	882	258

(b) **Trade receivables**

Trade receivables (unsecured) consist of the following:

Trade receivables – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Trade receivables	556	568
Less: Allowance for doubtful trade receivables	(582)	(473)
Considered good	74	95

Trade receivables – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Trade receivables	28,822	24,227
Less: Allowance for doubtful trade receivables	(227)	(222)
Considered good	28,595	24,005
Trade receivables	194	165
Less: Allowance for doubtful trade receivables	(129)	(140)
Credit impaired	65	25
	28,660	24,030

Above balances of trade receivables include balances with related parties (Refer note 29)

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current accounts	3,848	2,969
In deposit accounts	4	406
Cheques on hand*	-	2
Cash on hand*	-	-
Remittances in transit*	-	-
	3,852	3,377

*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, 2020	As at March 31, 2019
Earmarked balances with banks	185	175
Short-term bank deposits	787	5,400
	972	5,575

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

(e) Loans receivables

Loans receivables (unsecured) consist of the following:

Loans receivables - Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Considered good		
Loans and advances to employees	2	2
	2	2

Loans receivables - Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Considered good		
Inter-corporate deposits	7,044	6,750
Loans and advances to employees	226	268
Credit impaired		
Loans and advances to employees	14	61
Less: Allowance on loans and advances to employees	(14)	(61)
	7,270	7,018

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

(f) Other financial assets

Other financial assets consist of the following:

Other financial assets – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Security deposits	517	565
Others	7	-
	524	565

Other financial assets – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Security deposits	148	101
Fair value of foreign exchange derivative assets	425	584
Interest receivable	591	779
Others	184	158
	1,448	1,622

(g) Micro and small enterprises

(₹ crore)

	As at March 31, 2020		As at March 31, 2019	
	Principal	Interest	Principal	Interest
Amount due to vendor	-	-	22	
Principal amount paid (includes unpaid) beyond the appointed date	140	2	53	
Interest due and payable for the year	-	-		
Interest accrued and remaining unpaid (includes interest disallowable of Nil crore (March 31, 2019: ₹1 crore))	-	-		1

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

(h) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Capital creditors	3	3
Others	234	229
	237	232

Others include advance taxes paid of ₹226 crore and ₹226 crore as at March 31, 2020 and March 31, 2019, respectively by the seller of TCS e-Serve Limited (merged with the Company) which on refund by the tax authorities is payable to the seller.

Other financial liabilities – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Accrued payroll	2,745	[illegible]
Current maturities of finance lease obligations	-	[illegible]
Unclaimed dividends	53	[illegible]
Fair value of foreign exchange derivative liabilities	693	[illegible]
Capital creditors	383	[illegible]
Liabilities towards customer contracts	759	[illegible]
Others	61	[illegible]
	4,694	[illegible]

(3) **Financial instruments by category**

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

(₹ crore)

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets						
Cash and cash equivalents	-	-	-	-	3,652	3,652
Bank deposits	-	-	-	-	797	797
Earmarked balances with banks	-	-	-	-	185	185
Investments (other than in subsidiary)	1,264	24,422	-	-	-	25,686
Trade receivables	-	-	-	-	28,754	28,754
Unbilled receivables	-	-	-	-	5,087	5,087
Loans receivables	-	-	-	-	7,272	7,272
Other financial assets	-	-	146	279	1,647	2,072
Total	1,264	24,422	146	279	[illegible]	[illegible]
Financial liabilities						
Trade payables	-	-	-	-	8,754	8,754
Lease liabilities	-	-	-	-	[illegible]	[illegible]
Other financial liabilities	-	-	34	[illegible]	[illegible]	[illegible]
Total	-	-	34	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

(₹ crore)

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financial assets						
[illegible]					[illegible]	[illegible]
[illegible]					[illegible]	[illegible]
[illegible]					[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]					[illegible]	[illegible]
[illegible]					[illegible]	[illegible]
[illegible]					[illegible]	[illegible]
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financial liabilities						
[illegible]					[illegible]	[illegible]
[illegible]					[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]
Total				[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

(j) **Fair value hierarchy**

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

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

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

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

(₹ crore)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	1,264	-	-	1,264
Equity shares	-	-	-	-
Government bonds and securities	24,290	-	-	24,290
Corporate bonds	132	-	-	132
Derivative financial assets	-	425	-	425
Total	25,686	425	-	26,111
Financial liabilities				
Derivative financial liabilities	-	693	-	693
Total	-	693	-	693

(₹ crore)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	[illegible]	[illegible]		[illegible]
Equity shares				
Government bonds and securities	23,568			23,568
Certificate of deposits	491	-		491
Corporate bonds	1,206			1,206
Derivative financial assets	-	584		584
Total	29,219	647		29,866
Financial liabilities				
Derivative financial liabilities		59		59
Total		59		59

Reconciliation of Level 3 fair value measurement is as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	-	3
Disposals during the year	-	(3)
Impairment in value of investments	-	
Balance at the end of the year	-	-

(k) 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 have 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, 2020			As at March 31, 2019		
	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	55	1,420	20	58	1,000	128
Great Britain Pound	71	384	59	94	177	25
Euro	38	363	(31)	33	239	50
Australian Dollar	26	192	48	46	181	22
Canadian Dollar	18	104	16	20	99	14

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

	Year ended March 31, 2020		Year ended March 31, 2019	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	154	(30)	[illegible]	[illegible]
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transaction	(449)	513	[illegible]	[illegible]
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transaction	54	(39)	[illegible]	[illegible]
Change in the fair value of effective portion of cash flow hedges	335	(565)	[illegible]	[illegible]
Deferred tax on fair value of effective portion of cash flow hedges	(49)	52	[illegible]	[illegible]
Balance at the end of the year	45	(68)	154	(30)

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, 2020 and 2019, the notional amount of outstanding contracts aggregated to ₹40,309 crore and ₹54,573 crore, respectively and the respective fair value of these contracts have a net loss of ₹450 crore and net gain of ₹208 crore.

Exchange loss of ₹451 crore and exchange gain of ₹405 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, 2020 and 2019, respectively.

Net foreign exchange gains include loss of ₹64 crore and gain of ₹50 crore transferred from cash flow hedging reserve for the years ended March 31, 2020 and 2019, respectively.

Net loss on derivative instruments of ₹25 crore recognised in cash flow hedging reserve as at March 31, 2020, is expected to be transferred to the statement of profit and loss by March 31, 2021. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2020.

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, 2020	As at March 31, 2019
10% Appreciation of the underlying foreign currencies	(407)	(64)
10% Depreciation of the underlying foreign currencies	1,261	1,500

(i) Financial risk management

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

Market risk

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

- **Foreign currency exchange rate risk**

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

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from the 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 statements 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 8(k).

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2020:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	4,003	274	329	1,595
Net financial liabilities	(7,097)	(596)	(475)	(678)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in an increase / decrease in the Company's profit before taxes by approximately ₹165 crore for the year ended March 31, 2020.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2019:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	4,451	775	857	1,705
Net financial liabilities	(4,044)	(178)	(414)	(377)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in decrease / increase in the Company's profit before taxes by approximately ₹173 crore for the year ended March 31, 2019.

Impact of COVID-19 (Global pandemic)

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

• **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.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, loans receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹2,044 crore are with a financial institution having a high credit rating assigned by credit-rating agencies. Bank deposits include an amount of ₹707 crore held with one Indian bank having high credit rating which is individually in excess of 10% or more of the Company's total bank deposits as at March 31, 2020. 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 ₹71,975 crore and ₹75,278 crore as at March 31, 2020 and 2019 respectively, being the total of the carrying amount of balances with banks, bank deposits, investments (excluding equity and preference investments), trade receivables, unbilled receivables, loans receivables, 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 receivable, unbilled receivables and contract assets as at March 31, 2020 and March 31, 2019.

• **Geographic concentration of credit risk**

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

	As at March 31, 2020		As at March 31, 2019	
	Gross%	Net%	Gross%	Net%
United States of America	**47.95**	**48.96**	49.47	50.53
India	**14.45**	**12.90**	16.45	14.87
United Kingdom	**15.03**	**15.26**	15.99	16.55

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

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2020 and 2019 was ₹125 crore and ₹187 crore, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	**837**	651
Change during the year	**125**	187
Bad debts written off	**(40)**	(3)
Translation exchange difference	**16**	2
Balance at the end of the year	**938**	837

Liquidity risk

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

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

(₹ crore)

March 31, 2020	**Due in 1st year**	**Due in 2nd year**	**Due in 3rd to 5th year**	**Due after 5th year**	**Total**
Non-derivative financial liabilities					
Trade payables	**8,734**	**-**	**-**	**-**	**8,734**
Lease liabilities	**1,261**	**1,098**	**2,638**	**3,507**	**8,505**
Other financial liabilities	**4,001**	**10**	**227**	**-**	**4,238**
	13,996	**1,108**	**2,865**	**3,507**	**21,477**
Derivative financial liabilities	**693**	**-**	**-**	**-**	**693**
Total	**14,689**	**1,108**	**2,865**	**3,507**	**22,170**

(₹ crore)

March 31, 2019	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	[illegible]				[illegible]
Lease liabilities			11		[illegible]
Other financial liabilities	[illegible]	1	[illegible]	4	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Derivative financial liabilities	[illegible]				[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Other risk - Impact of COVID-19

Financial instruments carried at fair value as at March 31, 2020 is ₹26,811 crore and financial instruments carried at amortised cost as at March 31, 2020 is ₹45,064 crore. A significant part of the financial assets are classified as Level 1 having fair value of ₹25,456 crore as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid debt securities and accordingly, any material volatility is not expected.

Financial assets of ₹4,024 crore as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of ₹28,734 crore as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to customers in Retail, Travel, Transportation and Hospitality, Manufacturing and Energy verticals which could have an immediate impact and the rest which could have an impact with a lag. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables and contract assets of ₹8,573 crore as at March 31, 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹938 crore as at March 31, 2020 is considered adequate.

(m) **Equity instruments**

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Authorised		
460,05,00,000 equity shares of ₹1 each (March 31, 2019: 460,05,00,000 equity shares of ₹1 each)	460	460
105,02,50,000 preference shares of ₹1 each (March 31, 2019: 105,02,50,000 preference shares of ₹1 each)	105	105
	565	565
Issued, Subscribed and Fully paid up		
375,23,84,706 equity shares of ₹1 each (March 31, 2019: 375,23,84,706 equity shares of ₹1 each)	375	375
	375	375

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.

In the previous year, the Company allotted 191,42,87,500 equity shares as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹186 crore and capital redemption reserve amounting to ₹5 crore.

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 in the previous year. The equity shares bought back were extinguished on September 26, 2018.

i. **Reconciliation of number of shares**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	375,23,84,706	375	[illegible]	[illegible]
Issued during the year	-	-	[illegible]	[illegible]
Shares extinguished on buy-back	-	-	[illegible]	[illegible]
Closing balance	375,23,84,706	375	[illegible]	[illegible]

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, 2020	As at March 31, 2019
Equity shares		
Holding company		
270,24,50,947 equity shares (March 31, 2019: 270,24,50,947 equity shares) are held by Tata Sons Private Limited	270	270
Subsidiaries and Associates of Holding company		
7,220 equity shares (March 31, 2019: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,36,269 equity shares (March 31, 2019: 10,36,269 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2019: 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2019: 766 equity shares) are held by The Tata Power Company Limited*	-	-
	270	270

*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, 2020	As at March 31, 2019
Equity shares		
Tata Sons Private Limited, the holding company	270,24,50,947	270,24,50,947
% of Shareholding	72.02%	72.02%

V. **Equity shares movement during the 5 years preceding March 31, 2020**

- **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, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

- **Equity shares extinguished on buy-back**

  The Company bought back 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.

  The Company bought back 5,61,40,350 equity shares for an aggregate amount of ₹16,000 crore being 2.85% of the total paid up equity share capital at ₹2,850 per equity share. The equity shares bought back were extinguished on June 7, 2017.

- **Equity shares allotted as fully-paid including equity shares fully paid pursuant to contract without payment being received in cash**

  1,18,99,862 equity shares issued to the shareholders of CMC Limited in terms of the scheme of amalgamation ("the Scheme") sanctioned by the High Court of Judicature at Bombay vide its Order dated August 14, 2015 and the High Court of Judicature at Hyderabad vide its Order dated July 20, 2015.

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 stand-alone price of the lease component and the aggregate stand-alone 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 assets 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 assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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

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

Company as a lessor

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

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Refer note 1(k) – Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

Company as a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right-of-use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹4,786 crore and a corresponding lease liability of ₹5,179 crore has been recognised. The cumulative effect on transition in retained earnings net off taxes is ₹350 crore (including a deferred tax of ₹147 crore). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 7.80% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

Finance lease

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹25 crore has been reclassified from property, plant and equipment to right-of-use assets. An amount of ₹5 crore has been reclassified from other current financial liabilities to lease liability – current and an amount of ₹33 crore has been reclassified from borrowings – non-current to lease liability – non-current.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

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

(₹ crore)

	Additions for year ended March 31, 2020	Net carrying amount as at March 31, 2020
Leasehold land	474	690
Buildings	1,689	5,336
Leasehold improvement	-	20
Vehicles	-	2
Total	**2,163**	**6,048**

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

(₹ crore)

	Year ended March 31, 2020
Leasehold land	4
Buildings	837
Leasehold improvement	5
Vehicles	1
	847

Interest on lease liabilities is ₹[illegible] crore for the year ended March 31, 2020.

The Company incurred ₹190 crore for the year ended March 31, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹1,795 crore for the year ended March 31, 2020, including cash outflow for short term and low value leases. 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 as at March 31, 2020 is ₹457 crore.

Lease contracts entered by the Company majorly pertains 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.

Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centres / sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

B) **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 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	5 years
Electrical installations	4-10 years
Furniture and fixtures	5 years

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

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

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

Property, plant and equipment consist of the following:

(₹ crore)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2019	323	7,348	1,820	528	6,273	36	2,164	1,802	1,420	21,725
[illegible]	-	-	(61)	-	-	-	-	-	-	(61)
Restated cost as at April 1, 2019	323	7,348	1,759	539	6,273	36	2,164	1,802	1,420	21,664
[illegible]	-	287	188	128	1,190	5	374	98	130	2,200
[illegible]	-	(7)	(123)	-	(190)	(2)	(75)	(18)	(40)	(455)
Cost as at March 31, 2020	323	7,628	1,824	667	7,273	39	2,263	1,882	1,510	23,409
Accumulated depreciation as at April 1, 2019	-	(2,150)	(1,010)	(166)	(4,875)	(29)	(1,740)	(1,029)	(1,304)	(12,303)
[illegible]	-	-	36	-	-	-	-	-	-	36
Restated accumulated depreciation as at April 1, 2019	-	(2,150)	(974)	(166)	(4,875)	(29)	(1,740)	(1,029)	(1,304)	(12,267)
[illegible]	-	(374)	(115)	(58)	(750)	(5)	(203)	(140)	(137)	(1,782)
[illegible]	-	6	47	-	189	2	75	17	39	375
Accumulated depreciation as at March 31, 2020	-	(2,518)	(1,042)	(224)	(5,536)	(32)	(1,868)	(1,152)	(1,202)	(13,574)
Net carrying amount as at March 31, 2020	323	5,110	782	443	1,737	7	395	730	308	9,835

(₹ crore)

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cost as at April 1, 2018	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cost as at March 31, 2019	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation as at April 1, 2018	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation as at March 31, 2019	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net carrying amount as at March 31, 2019	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Net book value of leasehold improvements of ₹25 crore as at March 31, 2019 were under finance lease.

(b) **Intangible assets**

Intangible assets purchased are measured at cost as of 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 remaining useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

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

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

Intangible assets consist of the following:

(₹ crore)

	Rights under licensing agreement and software licences
Cost as at April 1, 2019	229
Additions	172
Disposals / Derecognised	-
Cost as at March 31, 2020	401
Accumulated amortisation as at April 1, 2019	(90)
Amortisation for the year	(72)
Disposals / Derecognised	-
Accumulated amortisation as at March 31, 2020	(162)
Net carrying amount as at March 31, 2020	239

(₹ crore)

	Rights under licensing agreement and software licences
Cost as at April 1, 2018	[illegible]
Additions	[illegible]
Disposals / Derecognised	-
Cost as at March 31, 2019	[illegible]
Accumulated amortisation as at April 1, 2018	[illegible]
Amortisation for the year	[illegible]
Disposals / Derecognised	-
Accumulated amortisation as at March 31, 2019	[illegible]
Net carrying amount as at March 31, 2019	[illegible]

The estimated amortisation for the years subsequent to March 31, 2020 is as follows:

(₹ crore)

Year ending March 31,	Amortisation expense
2021	83
2022	83
2023	57
2024	16
Thereafter	-
	239

(c) **Other assets**

Other assets consist of the following:

Other assets – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Considered good		
Contract assets	145	500
Prepaid expenses	737	153
Prepaid rent	-	[illegible]
Contract fulfillment costs	186	374
Capital advances	50	272
Advances to related parties	36	3
Others	272	3
	1,426	3,049
Advances to related parties, considered good, comprise:		
Voltas Limited	5	1
Tata Realty and Infrastructure Ltd*	-	-
Concorde Motors (India) Limited	-	1
Tata Projects Limited	33	
Titan Engineering and Automation Limited*	-	

*Represents value less than ₹0.50 crore

Other assets – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Considered good		
Contract assets	3,341	2,723
Prepaid expenses	1,381	344
Prepaid rent	4	96
Contract fulfillment costs	396	468
Advance to suppliers	75	79
Advance to related parties	11	8
Indirect taxes recoverable	1,131	957
Other advances	114	124
Others	85	51
Considered doubtful		
Advance to suppliers	5	3
Indirect taxes recoverable	2	2
Other advances	1	1
Less: Allowance on doubtful assets	(8)	(6)
	6,538	4,793
Advance to related parties, considered good comprise:		
TCS e-Serve International Limited	-	7
The Titan Company Limited	5	1
Tata AIG General Insurance Company Limited	-	1
Tata AIA Life Insurance Company Limited	1	
Tata Sons Private Limited	7	

Prepaid rent of ₹386 crore has been reclassified to right-of-use asset pursuant to transition to Ind AS 116.

Non-current – Others include advance of ₹271 crore towards acquiring right-of-use of leasehold land in the current year.

Contract fulfillment costs of ₹406 crore and ₹479 crore for the years ended March 31, 2020 and 2019, respectively, have been amortised in the statement of profit and loss. Refer note 10 for the changes in contract asset.

(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, 2020	As at March 31, 2019
Raw materials, sub-assemblies and components	5	9
Finished goods and work-in-progress*	-	-
Stores and spares	-	1
	5	10

*Represents value less than ₹0.50 crore.

(e) Provisions

Provisions consist of the following:

Provisions – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Provision for foreseeable loss	199	150
Other provisions	36	24
	235	174

(f) Other liabilities

Other liabilities consist of the following:

Other liabilities – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Operating lease liabilities	-	358
	-	358

Other liabilities – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Advance received from customers	226	269
Indirect taxes payable and other statutory liabilities	1,762	1,556
Operating lease liabilities	2	47
Others	58	70
	2,048	1,942

Operating lease liability of ₹285 crore has been reclassified to lease liabilities pursuant to transition to Ind AS 116.

9) **Other equity**

Other equity consist of the following:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Capital reserve#	-	-
Capital redemption reserve		
(i) Opening balance	8	196
(ii) Transfer from retained earnings	-	8
(iii) Issue of bonus shares*	-	(196)
	8	8
Special Economic Zone re-investment reserve		
(i) Opening balance	594	1,578
(ii) Transfer from retained earnings	2,947	2,750
(iii) Transfer to retained earnings	(2,347)	(3,734)
	1,594	594
Retained earnings		
(i) Opening balance	77,159	74,090
(ii) Transition impact of Ind AS 116 (Refer note 7)	(330)	
(iii) Profit for the year	33,260	30,065
(iv) Remeasurement of defined employee benefit plans	(323)	(14)
(v) Utilised for buy-back of equity shares*	-	(15,992)
(vi) Expenses relating to buy-back of equity shares*	-	(45)
(vii) Issue of bonus shares*	-	(186)
(viii) Realised loss on equity shares carried at fair value through OCI	-	(1)
(ix) Transfer from Special Economic Zone re-investment reserve	2,347	3,734
	112,113	91,341
(x) Less: Appropriations		
(a) Dividend on equity shares	31,896	10,085
(b) Tax on dividend	5,738	1,339
(c) Transfer to capital redemption reserve*	-	8
(d) Transfer to Special Economic Zone re-investment reserve	2,947	2,750
	71,532	77,159
Investment revaluation reserve		
(i) Opening balance	258	(18)
(ii) Realised loss on equity shares carried at fair value through OCI	-	1
(iii) Change during the year (net)	624	275
	882	258
Cash flow hedging reserve (Refer note 6(k))		
(i) Opening balance	104	(71)
(ii) Change during the year (net)	(127)	175
	(23)	104
	73,993	78,123

*Refer note 6(m).

#Represents value less than ₹0.50 crore.

l) Revenue recognition

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

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

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

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

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 is excess of revenue 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 is 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 obligations, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

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

Revenue disaggregation by nature of services is as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Consultancy services	129,565	121,033
Sale of equipment and software licences	1,741	2,137
	131,306	123,170

Revenue disaggregation by industry vertical is as follows:

(₹ crore)

Industry vertical	Year ended March 31, 2020	Year ended March 31, 2019
Banking, Financial Services and Insurance	47,811	45,551
Manufacturing	12,161	11,560
Retail and Consumer Business	22,882	22,379
Communication, Media and Technology	23,132	21,151
Others	25,320	22,534
	131,306	123,170

Revenue disaggregation by geography is as follows:

(₹ crore)

Geography	Year ended March 31, 2020	Year ended March 31, 2019
Americas	74,882	71,554
Europe	35,999	32,120
India	8,716	8,277
Others	11,709	11,219
	131,306	123,170

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 year ended March 31, 2020 and March 31, 2019.

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 ₹94,910 crore out of which 48.38% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	2,823	2,208
Revenue recognised during the year	11,514	9,570
Invoices raised during the year	(10,999)	(9,013)
Translation exchange difference	148	57
Balance at the end of the year	3,486	2,823

Changes in unearned and deferred revenue are as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	2,466	1,711
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(1,934)	(1,640)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	2,240	2,401
Translation exchange difference	143	(6)
Balance at the end of the year	2,915	2,466

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Contracted price	133,098	125,307
Reductions towards variable consideration components	(1,792)	[illegible]
Revenue recognised	131,306	123,170

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

Impact of COVID-19

While the Company believes strongly that it has a strong portfolio of services to partner with customers, the impact on future revenue streams could come from:

- the inability of our customers to continue their businesses due to financial resource constraints or their services no longer being availed by their customers
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- customers not in a position to accept alternate delivery models using Secure Borderless WorkSpaces
- customers postponing their discretionary spend due to change in priorities.

The Company has assessed that customers in Retail, Travel, Transportation and Hospitality, Energy and Manufacturing verticals are more prone to immediate impact due to disruption in supply chain and drop in demand while customers in Banking, Financial Services and Insurance would re-prioritise their discretionary spend in immediate future to conserve resources and assess the impact that they would have due to dependence of revenues from the impacted verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meeting its obligations. Such impact could be in the form of provision for onerous contracts or re-setting of revenue recognition in fixed price contracts where revenue is recognised on percentage-completion-basis. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised SLAs in light of current crisis, invoking of force majeure clause etc., to ensure that revenue recognition in such cases reflect realisable values.

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, 2020	Year ended March 31, 2019
Interest income	3,197	2,651
Dividend income	5,980	3,571
Net gain on investments carried at fair value through profit or loss	183	416
Net gain on sale of investments other than equity shares carried at fair value through OCI	14	-
Net gain on disposal of property, plant and equipment	50	84
Net foreign exchange gain / (loss)	632	844
Rent income	2	7
Other income	24	54
	10,082	7,627

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income comprise:		
Interest on bank balances and bank deposits	479	157
Interest on financial assets carried at amortised cost	531	506
Interest on financial assets carried at fair value through OCI	1,878	1,858
Other interest (including interest on tax refunds)	309	130
Dividend income comprise:		
Dividends from subsidiaries	5,980	3,571
Dividend from mutual fund units*	-	-

*Represents value less than ₹0.50 crore.

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, provident fund (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans.

Short-term employee benefits

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

Compensated absences

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

Employee benefit expenses consist of the following:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, incentives and allowances	59,140	54,080
Contributions to provident and other funds	4,020	3,665
Staff welfare expenses	1,746	1,632
	64,906	59,377

Employee benefit obligations consist of the following:

Employee benefit obligations – Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Gratuity liability	-	7
Other employee benefit obligations	91	75
	91	82

Employee benefit obligations – Current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Compensated absences	2,034	1,756
Other employee benefit obligations	23	20
	2,057	1,776

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.

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Change in benefit obligations		
Benefit obligations, beginning of the year	2,678	2,307
Plan assumed on transfer of employees	30	-
Service cost	357	207
Interest cost	222	180
Remeasurement of the net defined benefit liability	520	39
Benefits paid	(171)	(342)
Benefit obligations, end of the year	3,636	2,678

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Change in plan assets		
Fair value of plan assets, beginning of the year	2,671	2,452
Plan assumed on transfer of employees	30	-
Interest income	234	193
Employers' contributions	766	371
Benefits paid	(171)	(347)
Remeasurement - return on plan assets excluding amount included in interest income	111	2
Fair value of plan assets, end of the year	3,641	2,671

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Funded status		
Deficit of plan assets over obligations	-	(7)
Surplus of plan assets over obligations	5	-
	5	(7)

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Category of assets		
Corporate bonds	1,004	684
Equity instruments	17	20
Government bonds and securities	1,695	1,150
Insurer managed funds	850	759
Bank balances	-	6
Others	75	52
	3,641	2,671

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Service cost	357	289
Net interest on net defined benefit (asset) / liability	(12)	(3)
Net periodic gratuity cost	345	286
Actual return on plan assets	345	215

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Actuarial (gains) and losses arising from changes in demographic assumptions	(5)	(17)
Actuarial (gains) and losses arising from changes in financial assumptions	345	
Actuarial (gains) and losses arising from changes in experience adjustments	180	76
Remeasurement of the net defined benefit liability	520	59
Remeasurement - return on plan assets excluding amount included in interest income	(111)	(42)
	409	17

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

	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	6.50%	7.75%
Rate of increase in compensation levels of covered employees	6.00%	6.00%
Rate of return on plan assets	6.50%	7.75%
Weighted average duration of defined benefit obligations	8 Years	8 Years

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, 2020. The Company is expected to contribute ₹424 crore to defined benefit plan obligations funds for the year ending March 31, 2021.

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, 2020	As at March 31, 2019
Increase of 0.50%	(151)	(100)
Decrease of 0.50%	163	108

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

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Increase of 0.50%	163	109
Decrease of 0.50%	(152)	(102)

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

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

Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

The defined benefit obligations shall mature after year ended March 31, 2020 as follows:

(₹ crore)

Year ending March 31,	Defined benefit obligations
2021	279
2022	294
2023	332
2024	363
2025	411
2026-2030	2,594

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.

The details of fund and plan assets are given below:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets	17,072	14,555
Present value of defined benefit obligations	(17,072)	(14,555)
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 obligation of interest guarantee under the deterministic approach are as follows:

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.50%	7.75%
Average remaining tenure of investment portfolio	7.73 years	6.50 years
Guaranteed rate of return	8.50%	8.65%

The Company contributed ₹1,026 crore and ₹856 crore for the years ended March 31, 2020 and 2019, respectively, to the 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 contributed ₹248 crore and ₹232 crore for the years ended March 31, 2020 and 2019, respectively, to the Employees' Superannuation Fund.

Foreign defined contribution plan

The Company contributed ₹549 crore and ₹475 crore for the years ended March 31, 2020 and 2019, 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 doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

(a) **Cost of equipment and software licences**

Cost of equipment and software licences consist of the following:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Raw materials, sub-assemblies and components consumed	18	40
Equipment and software licences purchased	1,578	1,963
	1,596	2,003
Finished goods and work-in-progress		
Opening stock*	-	-
Less: Closing stock	1	-
	(1)	-

*Represents value less than ₹0.50 crore.

(b) **Other expenses**

Other expenses consist of the following:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Fees to external consultants	13,916	12,759
Facility expenses	2,175	3,275
Travel expenses	2,569	2,716
Communication expenses	985	957
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	132	159
Other expenses	7,674	7,589
	27,451	26,026

Other expenses include ₹3,747 crore and ₹3,097 crore for the years ended March 31, 2020 and 2019, respectively, towards sales, marketing and advertisement expenses.

The Company made a contribution to an electoral trust of Nil and ₹220 crore for the years ended March 31, 2020 and 2019, respectively, which is included in other expenses.

(c) **Research and development expenditure**

Research and development expenditure including capital expenditure aggregating ₹302 crore and ₹325 crore was incurred for the years ended March 31, 2020 and 2019, respectively.

(d) **Corporate Social Responsibility (CSR) expenditure**

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2020 and 2019 is ₹600 crore and ₹542 crore, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on CSR. The Company incurred an amount of ₹602 crore and ₹434 crore during the years ended March 31, 2020 and 2019, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

24) Finance costs

Finance costs consist of the following:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on lease liabilities	416	7
Interest on tax matters	256	162
Other interest costs	71	1
	743	170

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

Current income tax payable by overseas branches of 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 and 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.

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, 2020	Year ended March 31, 2019
Current tax		
Current tax expense for current year	8,440	8,672
Current tax expense pertaining to prior years	572	1,271
	9,012	9,943
Deferred tax		
Deferred tax expense for current year	1,168	697
Deferred tax benefit pertaining to prior years	(1,449)	-
	(281)	697
Total income tax expense recognised in current year	8,731	10,640

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, 2020	Year ended March 31, 2019
Profit before taxes	41,991	40,705
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	14,673	14,224
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(4,856)	(4,735)
Income exempt from tax	(14)	(21)
Undistributed earnings in branches	(75)	299
Tax on income at different rates	(300)	(403)
Tax pertaining to prior years	(877)	1,271
Others (net)	120	5
Total income tax expense	8,731	10,640

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).

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and intangible assets	97	65	-	162
Provision for employee benefits	368	100	-	468
Cash flow hedges	(12)	-	19	7
Receivables, financial assets at amortised cost	284	43	-	327
MAT credit entitlement	1,157	(108)	-	1,049
Branch profit tax	(299)	15	-	(284)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(148)	-	(334)	(483)
Lease liabilities*	235	73	-	308
Others	225	93	-	318
Total deferred tax assets / (liabilities)	1,905	281	(315)	1,872

*Opening balance of deferred tax on lease liabilities has been restated by ₹147 crore to give impact of transition to Ind AS 116 (Refer note 7).

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2020	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	225	63	162
Provision for employee benefits	468	-	468
Cash flow hedges	7	-	7
Receivables, financial assets at amortised cost	327	-	327
MAT credit entitlement	1,049	-	1,049
Branch profit tax	-	284	(284)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(483)	-	(483)
Lease liabilities	308	-	308
Others	318	-	318
Total deferred tax assets / (liabilities)	2,219	347	1,872

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and intangible assets	167	(70)		97
Provision for employee benefits	403	157		560
Cash flow hedges	30		(22)	(17)
Receivables, financial assets at amortised cost	198	86		284
MAT credit entitlement	2,209	(1,047)		1,162
Branch profit tax	(400)	101		(299)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income			(149)	(149)
Lease liabilities	61	8		69
Others	117	108		225
Total deferred tax assets / (liabilities)	2,626	(697)	(171)	1,758

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2019	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	137	40	97
Provision for employee benefits	560		560
Cash flow hedges	(17)		(17)
Receivables, financial assets at amortised cost	284		284
MAT credit entitlement	1,162		1,162
Branch profit tax		299	(299)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(149)		(149)
Lease liabilities	69		69
Others	224		224
Total deferred tax assets / (liabilities)	2,097	339	1,758

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. Accordingly, the Company has recognised a deferred tax asset of ₹1,049 crore.

Direct tax contingencies

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received.

The Company has contingent liability in respect of demands from direct tax authorities in India and other jurisdictions, which are being contested by the Company on appeal amounting ₹1,453 crore and ₹1,501 crore as at March 31, 2020 and March 31, 2019 respectively. In respect of tax contingencies of ₹598 crore and ₹598 crore as at March 31, 2020 and March 31, 2019, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2017 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2016 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2017 and earlier.

(6) 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 year. The Company did not have any potentially dilutive securities in any of the years presented.

	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year (₹ crore)	33,260	30,065
Weighted average number of equity shares	375,23,84,706	[illegible]
Basic and diluted earnings per share (₹)	88.64	79.34
Face value per equity share (₹)	1	1

(7) Auditors remuneration

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Services as statutory auditors (including quarterly audits)	7	7
Tax audit	1	1
Services for taxation matters	*	*
Other services	4	4
Re-imbursement of out-of-pocket expenses	1	*

*Represents value less than ₹0.50 crore

(8) 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) ₹1,272 crore and ₹1,258 crore as at March 31, 2020 and March 31, 2019, 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 ₹468 crore and ₹525 crore as at March 31, 2020 and March 31, 2019, respectively from various indirect tax authorities which are being contested by the Company based on the management evaluation and on the advice of tax consultants.

- **Other claims**

  Claims aggregating ₹133 crore and ₹46 crore as at March 31, 2020 and March 31, 2019, 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 for alleged infringement of Epic's proprietary information. In April 2016, the Company received an unfavourable jury verdict awarding damages totalling ₹7,091 crore (US $940 million) to Epic. In September 2017, the Company received a Court order reducing the damages from ₹7,091 crore (US $940 million) to ₹3,168 crore (US $420 million) to Epic. Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹3,319 crore (US $440 million) as financial security in order to stay execution of the judgment pending post judgment proceedings and appeal. Pursuant to reaffirmation of the Court Order in March 2018, the Company has filed a notice of appeal in the Superior Court to fully set aside the Order. Epic has also filed a cross appeal challenging the reduction by the trial judge of ₹754 crore (US $100 million) award and ₹1,509 crore (US $200 million) in punitive damages. The Company has received legal advice to the effect that the order and the reduced damages awarded are not supported by evidence presented during the trial.

- **Bank 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) The proposed Social Security Code 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act, and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

21) **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.

Transactions with related parties are as follows:

(₹ crore)

	Year ended March 31, 2020					
	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	31	16,998	409	1,859	-	19,297
Dividend income	-	3,979	-	-	-	3,979
Rent income*	-	-	-	-	-	-
Other income	-	39	-	-	-	39
Purchases of goods, services and facilities (including reimbursement)	1	8,943	550	448	-	9,942
Brand equity contribution	100	-	-	-	-	100
Facility expenses	-	28	2	1	-	31
Lease rental	2	-	68	26	-	96
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	1	-	-	1	-	2
Contribution and advance to post-employment benefit plans	-	-	-	-	2,684	2,684
Purchase of property, plant and equipment	-	-	219	110	-	329
Loans and advances given	-	1	4	85	-	90
Loans and advances repaid	-	7	3	30	-	40
Dividend paid	22,971	-	9	-	-	22,980
Guarantees given	-	2	-	-	-	2
Call deposits	-	2,998	-	-	-	2,998

*Represents value less than ₹0.50 crore.

(₹ crore)

	Year ended March 31, 2019					
	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	27	15,088	29[illegible]	1,215		[illegible]
Dividend income		7,377				[illegible]
Rent income		7				7
Other income		58				[illegible]
Purchases of goods and services (including reimbursements)	1	8,773	41	[illegible]		[illegible]
Brand equity contribution	[illegible]					[illegible]
Facility expenses	1		17	3		21
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)			(11)			(11)
Contribution and advance to post employment benefit plans					[illegible]	[illegible]
Purchase of property, plant and equipment			[illegible]	[illegible]		[illegible]
Loans and advances given		8	[illegible]	1		[illegible]
Loans and advances repaid		1		3		4
Dividend paid	7,248		5			7,257
Guarantees given		13				13
Buy back of shares	10,456		3			10,459
Cost recovery		7,507	–			7,507
Issue of bonus shares[1]						

[1]Refer note 6(m).

Material related party transactions are as follows:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Revenue		
Tata Consultancy Services Sverige AB	1,713	1,657
Tata Consultancy Services Canada Inc	1,934	1,999
Tata Consultancy Services Deutschland GmbH	2,020	1,924
Tata Consultancy Services Netherlands BV	3,364	2,469
Jaguar Land Rover Limited	1,142	651
Jaguar Cars Limited (Dormant)	9	671
Purchases of goods and services (including reimbursements)		
Tata America International Corporation	3,416	3,063
Tata Consultancy Services De Mexico S.A. De C.V.	1,414	1,314
TCS Foundation	552	91
Dividend income		
Tata America International Corporation	1,752	2,717
Tata Consultancy Services Canada Inc	694	256

Material related party balances are as follows:

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Tata America International Corporation	98	677
Tata Consultancy Services Sverige AB	690	362
Tata Consultancy Services France SA	900	716
Tata Consultancy Services Netherlands BV	727	253
Tata Consultancy Services Asia Pacific Pte Ltd	635	246
Jaguar Land Rover Limited	209	352
Trade payables		
Tata America International Corporation	1,314	1,415
Tata Consultancy Services De Mexico S.A. De C.V.	402	364
Unbilled receivables and contract assets		
Diligenta Limited	311	373

Balances receivable from related parties are as follows:

(₹ crore)

	As at March 31, 2020					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables, unbilled receivables and contract assets	4	6,582	223	449	-	7,258
Loans receivables, other financial assets and other assets	10	62	30	65	-	167
	14	6,644	253	514	-	7,425

(₹ crore)

	As at March 31, 2019					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables, unbilled receivables and contract assets	[illegible]	[illegible]	[illegible]	544	[illegible]	[illegible]
Loans receivables, other financial assets and other assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Balances payable to related parties are as follows:

(₹ crore)

	As at March 31, 2020					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	93	4,152	245	215	-	4,705
Commitments and guarantees	-	4,302	11	367	-	4,680

(₹ crore)

	As at March 31, 2019					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
Commitments and guarantees		[illegible]	11	[illegible]		[illegible]

Transactions with key management personnel are as follows:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Short-term benefits	28	32
Dividend paid during the year	2	2
	30	34

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

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

24) The sitting fees and commission paid to non-executive directors is ₹9 crore and ₹12 crore as at March 31, 2020 and 2019, respectively.

25) **Subsequent event**

Dividends paid during the year ended March 31, 2020 include an amount of ₹18 per equity share towards final dividend for the year ended March 31, 2019 and an amount of ₹67 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2020. Dividends paid during the year ended March 31, 2019 include an amount of ₹29 per equity share towards final dividend for the year ended March 31, 2018 and an amount of ₹12 per equity share towards interim dividends for the year ended March 31, 2019.

Dividends declared by the Company are based on the profit available for distribution. On April 16, 2020, the Board of Directors of the Company have proposed a final dividend of ₹6 per share in respect of the year ended March 31, 2020 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹2,251 crore.

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

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

Yezdi Nagporewalla
Partner
Membership No: 049265

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 16, 2020

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-I 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	Exchange rate	Share capital	Reserves and surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of shareholding	Country
							₹ crore											
1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]		[illegible]	[illegible]
13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]		[illegible]	[illegible]
15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]

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

Sl. 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	Exchange rate	Share capital	Reserves and surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of shareholding	Country
							₹ crore											
17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	TCS Italia s.r.l.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]		[illegible]	[illegible]		[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
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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-I 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	Exchange rate	Share capital	Reserves and surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of shareholding	Country
							₹ crore											
32	Tata Consultancy Services (South Africa) (PTY) Ltd.	[illegible]	April 1, 2019	March 31, 2020	ZAR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	South Africa
33	TCS FNS Pty Limited	[illegible]	April 1, 2019	March 31, 2020	AUD	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]		[illegible]		[illegible]		100.00	Australia
34	TCS Financial Solutions Beijing Co., Ltd.	[illegible]	January 1, 2019	December 31, 2019	CNY	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]		100.00	China
35	TCS Financial Solutions Australia Holdings Pty Limited	[illegible]	April 1, 2019	March 31, 2020	AUD	[illegible]							[illegible]		[illegible]			Australia
36	TCS Financial Solutions Australia Pty Limited	[illegible]	April 1, 2019	March 31, 2020	AUD	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00	Australia
37	TCS Iberoamerica SA	[illegible]	April 1, 2019	March 31, 2020	USD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]		100.00	Uruguay
38	TCS Solution Center S.A.	[illegible]	April 1, 2019	March 31, 2020	UYU	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		100.00	Uruguay
39	Tata Consultancy Services Argentina S.A.	[illegible]	April 1, 2019	March 31, 2020	ARS	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]	[illegible]		[illegible]		100.00	Argentina
40	Tata Consultancy Services Do Brasil Ltda	[illegible]	January 1, 2019	December 31, 2019	BRL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	Brazil
41	Tata Consultancy Services De Mexico S.A., De C.V.	[illegible]	January 1, 2019	December 31, 2019	MXN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		100.00	Mexico
42	Tata Consultancy Services Chile S.A.	[illegible]	January 1, 2019	December 31, 2019	CLP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	Chile
43	TCS Inversiones Chile Limitada	[illegible]	January 1, 2019	December 31, 2019	CLP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00	Chile
44	TATASOLUTION CENTER S.A.	[illegible]	January 1, 2019	December 31, 2019	USD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		100.00	Ecuador
45	TCS Uruguay S.A.	[illegible]	April 1, 2019	March 31, 2020	UYU	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		100.00	Uruguay
46	MGDC S.C.	[illegible]	January 1, 2019	December 31, 2019	MXN	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		100.00	Mexico
47	Technology Outsourcing S.A.C.	[illegible]	January 1, 2019	December 31, 2019	PEN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]		100.00	Peru

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	Exchange rate	Share capital	Reserves and surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of shareholding	Country
							₹ crore											
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	W12 Studios Limited	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	TCS Business Services GmbH	March 9, 2020	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	-	-	-	-	-	-	[illegible]	[illegible]
[illegible]	TCS Foundation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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, 2020.
2. TCS Financial Solutions Australia Holdings Pty Limited liquidated w.e.f. January 29, 2020.
3. TCS Business Services GmbH was acquired w.e.f. March 9, 2020.

For and on behalf of the Board

N Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

Keki M Mistry
Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 16, 2020

Glossary

5G	Fifth generation wireless technology for digital cellular networks. 5G is expected to be much faster and enable much higher volumes of data sharing than earlier generations of cellular networks. Its massive capacity and ultra-low latency are expected to usher in an era of hyper-connectivity, enabling newer use cases such as autonomous cars and accelerating the adoption of IoT.
ADM	See Application Development and Maintenance.
Agile	A collaborative approach for IT and business teams to develop software incrementally and faster. TCS has pioneered the Location Independent Agile™ model that allows for deployment at scale, and helps globally distributed organization execute large transformational programs quickly, while ensuring stability and quality.
AgilityDebt™	AgilityDebt™ is a simple index developed by TCS, which uniquely indicates the burden carried by an organization that restricts its Agility. The index is arrived at based on a holistic Agile maturity assessment framework that measures the gap against required Agile talent, roles, team composition, delivery practices, Agile culture, Agile technology and DevOps enablers. TCS uses AgilityDebt™ to assess where the customer's teams are in the Agile journey, find the bottlenecks, and accelerate their Agile transformations.
Agile Workspaces	These are key enablers of TCS' Location Independent Agile model and represent the next-generation work environment that facilitate greater collaboration among teams. It is characterized by partition-less open offices, informal seating, interactive surfaces for information capture, and modern collaboration devices for increased productivity.
AI	See Artificial Intelligence.

Algo Retail™	TCS' proprietary approach and suite of intellectual property that enables retailers to seamlessly integrate and orchestrate data flows across the retail value chain, harnessing the power of analytics, AI and machine learning in the areas of personalization, pricing optimization, marketing, online search and commerce to unlock exponential business value.
Amortization	An accounting concept similar to depreciation, but used to measure the consumption of intangible assets.
Analytics	In the enterprise context, this is the discovery, interpretation, and communication of meaningful patterns in business data to predict and improve business performance.
Annuity Contracts	A long-term contract which can guarantee regular payments.
APAC	Acronym for Asia Pacific
API	See Application Programming Interface
APIfication	The process of exposing a discrete business function or data within an enterprise's systems through APIs.
Application Development and Maintenance	Design, development, and deployment of custom software; ongoing support, upkeep, and enhancement of such software over its lifetime.
Application Programming Interface	A set of easily accessible protocols for communication among various software components.
AR	See Augmented Reality
Artificial Intelligence	Technology that emulates human performance by learning, coming to its own conclusions, understanding complex content, engaging in natural dialogs with people, augmenting human effort or replacing people on execution of non-routine tasks. Also known as Cognitive Computing.
ASEAN	Acronym for Association of Southeast Asian Nations
Assets Under Custody	A measure of the total assets for which a financial institution, typically a custodian bank, provides custodian services.
AUC	See Assets Under Custody
Attrition	Measures what portion of the workforce left the organization (voluntarily and involuntarily) over the last 12 months (LTM). Attrition (LTM) = Total number of departures in the LTM / closing headcount
Augmented Reality	Technology that superimposes a computer-generated image on a user's view of the real world to enrich the interaction.
Automation	The execution of work by machines in accordance with rules that have either been explicitly coded by a human or 'learned' by the machine through pattern recognition of data. Popular types include Robotic Process Automation and Cognitive Automation.
Basis Point	One hundredth of a percentage point, that is, 0.01 percent.
BFSI	Acronym for Banking, Financial Services and Insurance

Big Data	A high volume, high velocity, and/or high variety information asset that require new forms of processing to enable enhanced decision making, insight discovery, and process optimization.
Blockchain	A distributed database that maintains a continuously growing list of records, called blocks, secured from tampering and revision.
Bp	See Basis Point
BPaaS	See Business Process as a Service
BPS	See Business Process Services
Business 4.0	TCS' thought leadership framework that helps enterprises leverage technology to further their growth and transformation agenda. Successful Business 4.0 enterprises use technology to deliver mass personalization, leverage ecosystems, embrace risk and create exponential value. Such enterprises are agile, intelligent, automated and on the cloud.
Business Process as a Service	Refers to the delivery of BPS over a cloud computing model. Whereas traditional BPS relies on labor arbitrage to reduce costs, BPaaS aggregates demand using the cloud, servicing multiple customers with a single instance, multi-tenant platform and shared services, thereby delivering significant operating efficiencies. The pricing model is usually outcome based.
Business Process Services	Designing, enabling, and executing business operations including data management, analytics, interactions and experience management.
Buyback	A corporate action in which a company returns excess cash to shareholders by buying back its shares from them and usually extinguishing those shares thereafter. The company's equity share capital and the number of shares outstanding in the market correspondingly reduces.
CAGR	See Compounded Annual Growth Rate
Capital Expenditure (CapEx)	Funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology, or equipment.
Cash and Cash Equivalents	Cash comprises cash on hand and demand / time / fixed deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.
Cash Flow	Inflows and outflows of cash and cash equivalents.
Cash Flow from Operating Activities	Primarily derived from the principal revenue-producing activities. Therefore they generally result from the transactions and other events that enter into the determination of profit or loss.
CBO	See Cognitive Business Operations
CC	See Constant Currency

Chatbots	Computer programs designed to simulate conversation with human users, especially over the internet. They are typically used in dialog systems for various practical purposes like customer service or information acquisition.
Cloud	See Cloud Computing
Cloud Computing	The delivery of easily provisionable computing resources - servers, storage, databases, networking, software, analytics and more - over the internet, consumed on a pay-as-you-go basis.
CMT	Acronym for Communication, Media and Technology
Cognitive Automation	The use of AI and machine learning to automate relatively more complex tasks that require reasoning capability and contextual-awareness. TCS' ignio™ a leading cognitive automation software product in the market today.
Cognitive Business Operations (CBO)	An integrated offering where TCS takes responsibility for the outcomes of an entire slice of the customer's operations including the business processes and the underlying IT infrastructure, and uses cognitive automation to transform that operational stack.
Cognitive Computing	See Artificial Intelligence
COIN	See Co-Innovation Network
Co-Innovation Network	This is an extended, global innovation ecosystem curated by TCS to harness the innovation efforts of start-ups and academia, and incorporate them into transformational solutions built by TCS for its customers.
Compounded Annual Growth Rate (CAGR)	The annual growth rate between any two points in time, assuming that it has been compounding during that period.
Connected Clinical Trials (CCT) Platform	Part of the TCS ADD suite, CCT is an innovative software-as-a-service platform that enables life sciences companies to significantly transform patient engagement in clinical trials and improve adherence to protocols, as well as the efficiency and accountability of clinical trials.
Constant Currency	The basis for restating the current period's revenue growth after eliminating the impact of movements in exchange rates during the period.
Contextual Knowledge	This is tacit knowledge pertaining to, and specific to, the granular nuances of a customer's business and IT landscape, acquired on the job over a period of time. TCS teams use that contextual knowledge to design technology solutions that are uniquely tailored for that customer, and therefore, a potential source of competitive differentiation.
CPG	Acronym for Consumer Packaged Goods
Core Banking System	A back-end system that processes daily banking transactions and posts updates to accounts and other financial records; typically includes deposit, loan and credit processing capabilities, with interfaces to general ledger systems and reporting tools.

Core Transformation	Modernization initiatives that target the one or more elements of the organisation's operations stack consisting of business processes, software applications and underlying infrastructure, usually to enable greater agility, scalability, resilience and a superior customer experience. These are typically large in scale and scope, and entail the integrated delivery of multiple capabilities.
Cyber Security	Technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access.
Days' Sales Outstanding (DSO)	A popular way of reporting the Trade Receivables in relation to the company's Revenue. DSO = Trade Receivable * 365 / LTM Revenue
Depreciation	A method of allocating the cost of a tangible long-term asset over its useful life. It is a non-cash accounting entry found in the statement of profit and loss.
DevOps	Represents a new way of working to rapidly deploy new releases of a software in production using high levels of automation and tooling. TCS recommends adoption of DevOps, along with Agile for speed to market.
Digital	Represents new age technologies such as Social Media, Mobility, Analytics, Big Data, Cloud, Artificial Intelligence and Internet of Things. Increasingly, with these technologies becoming mainstream, this word is becoming redundant.
Digital Twin	A digital replica of a physical entity. For instance, a digital twin of a factory is a virtual model of the factory built using its data, process, people information. Impact of any change in a process in the real factory can be studied by simulating the change in the digital twin.
Discretionary Spend	Also known as Change the Business (CTB) spend, it is that portion of the IT budget which is used to fund projects that are not, strictly speaking, essential for day to day operations, but are more transformational in nature. In uncertain economic times, when businesses are forced to cut spends in response to decline in income, discretionary spend is often the first to be scrutinized. However, what is considered discretionary is subjective and may differ considerably amongst businesses even within the same sector.
Dividend	One form of distribution of profits earned by the Company and is usually declared as an amount per equity share held by the Shareholders. TCS has a policy of declaring quarterly interim dividends and the final dividend is approved by the shareholders in the Annual General Meeting.
Earnings Per Share	The amount of that period's Net Income attributable to a single share after deducting any preference dividend and related taxes. EPS = (Net profit attributable to Shareholders of the Company – Preference dividend, if any) / Weighted average number of equity shares outstanding during the period

Edge Computing	Computing and storage that is located on servers at the edge of the network, in close proximity to the users, but not through an on-premise data center; usually reserved for low latency use cases.
Effective Tax Rate	The proportion of the Profit Before Tax that is provided towards income taxes. ETR = Tax expense / Profit Before Tax
Engineering and Industrial Services	Consists of next generation product engineering, manufacturing operations transformation, services transformation, embedded software and Internet of Things.
Enterprise Agile	The adoption of Agile methods across all the business functions of the enterprise, designed to empower employees, foster collaboration and drive a culture of continuous innovation at scale.
EPS	See Earnings Per Share
ETR	See Effective Tax rate
Fair Value	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.
Fintech	Businesses that use technology to make financial services more efficient. Some fintech developments have improved traditional services, for example mobile banking apps, while others have revolutionized services such as pay per mile car insurance, or created new products, such as Bitcoin.
Fixed Price Contracts	A form of services contracts where the vendor takes a turnkey responsibility for delivering a solution for a certain price and within a mutually agreed timeframe. The customer is billed on completion of key project milestones and related deliverables. This arrangement gives the vendor considerable flexibility in the staffing and execution of the project. On the other hand, it also means bearing the project risk.
Forward Contract	A financial instrument wherein two parties agree to buy or sell a particular asset (such as stock or currency) at a pre-determined rate (or Forward rate) on a specific future date. For e.g. TCS enters into a forward contract to sell USD 1 million after 3 months @ ₹72. Irrespective of the prevailing USD-INR spot rate, TCS will be obliged to sell USD 1 million @ ₹72 at the end of 3 months.
Framework	A kind of intellectual property, consisting of software which provides generic functionality for a certain business use case and which is customized for a specific customer's needs with additional code. Use of such pre-built components reduces time to market and results in more stable, reliable solutions.
Free Cash Flow	Represents the cash a company generates through its operations, less the capital expenditure. Free cash flow = Cash flow from operating activities – Capital expenditure

Furlough	A temporary cessation of work without pay for the employees, usually implemented by organizations facing under difficult economic conditions, and in lieu of laying off employees.
Gamification	The process of adding games or game-like elements to any activity in order to enrich experiences and encourage user participation.
GDPR	Acronym for General Data Protection Regulation, a European Union regulation for data protection and privacy.
Hybrid Cloud	An enterprise IT infrastructure model that combines private clouds, public clouds and on-premise data centers, to meet the compute and storage needs of the business.
Innovation Days	Focused workshops with a TCS customer where researchers and business leaders from both organizations participate to explore emerging technologies for specific customer problems.
Innovation Forum	TCS' thought leadership event that is held in North America, UK, Latin America and Japan. It brings together researchers from academia, innovators from the start-up ecosystem, technology watchers, futurists and customers to brainstorm around emerging technologies.
Inorganic Growth	Growth in revenue due to mergers, acquisitions or takeovers, rather than due to an increase in the company's own business activity.

Internet of Things	A network of interconnected machines or devices embedded with sensors, software, network connectivity and necessary electronics to generate and share real-time data that can be studied and used to monitor or control remotely, predict failure, and optimize the design of those machines / devices.
Invested Funds	Funds that are highly liquid in nature and can be readily converted into cash. Invested Funds = Cash and Cash Equivalents + Investments + Deposits with Banks + Inter-corporate deposits.
Intellectual Property	An asset that is the result of a creative design or idea, such as patents, copyrights, reusable code, software products and platforms, and gives the owner exclusive rights over its usage, such that no one can copy or reuse the creation without the owner's permission.
Interactive Technology	Allows for a two-way flow of information through an interface between the user and the technology, the user usually communicates a request for data or action to the technology with the technology returning the requested data or result of the action back to the user.
Involuntary Attrition	A reduction in the workforce due to the employer's decision to terminate employment, instead of the employee's decision to leave.
IoT	See Internet of Things
IP	See Intellectual Property

KMP	See Key Managerial Personnel
Key Managerial Personnel	At TCS, this refers to the Chief Executive Officer, Managing Director, Chief Operating Officer, Chief Financial Officer, and the Company Secretary. Please refer to the Company's policy on KMP: https://www.tcs.com/x-corporategovernance
LatAm	Acronym for Latin America
Location Independent Agile	A method to orchestrate globally distributed stakeholders and talent into Agile teams for improved speed to market in large transformational programs. It comprises processes, structure, and the technology that allows enterprises to overcome location constraints and embrace Agile methods on a global scale
Machine First™ Delivery Model	A model that integrates analytics, AI and automation deep within the enterprise to redefine how humans and machines work together and to effectively deliver superior outcomes
Machine Learning	A type of artificial intelligence that provides computers with the ability to learn behaviors without being explicitly programmed
Managed Services	This is the practice of outsourcing to one service provider, also known as the Managed Services Provider (MSP), the end-to-end responsibility for providing, or orchestrating the provision through third party providers of, services across a range of processes and functions, in order to improve efficiency, service quality, agility and scalability
Managed Services Provider	Service providers with the sole, end-to-end responsibility of providing Managed Services
Market Capitalization	The total market value of a company's total outstanding equity shares at a point in time. Market Cap = Last Trading Price * Total number of outstanding shares
MEA	Acronym for Middle East and Africa
MFDM™	Acronym for Machine First Delivery Model
Minimum Viable Product	The most basic version of a new product, with the bare minimum functionality, which can be released to the users at the earliest, to be augmented with incremental features and functionality over subsequent iterative cycles. MVPs can be used by teams to learn about user behavior and validate the product value with minimum investment.
Mobility	Information, convenience and social media all combined together, and made available across a variety of screen sizes and hand held devices
MSP	See Managed Services Provider
MVP	See Minimum Viable Product
Non-Controlling Interest	The share of the net worth attributable to non-controlling shareholders of the subsidiaries
Non-discretionary Spend	Also known as Run the Business (RTB) spend, is that portion of the IT budget that covers the basic IT activities required to keep a business running. Even in tough economic times, non-discretionary spend remains relatively unaffected

Options Contract	A hedging instrument that offers the buyer the right to buy or sell the underlying asset (such as stocks or currency) on a future date at a specified price, for small upfront fee called options premium. E.g. TCS purchases an options contract to sell USD 1mn @ ₹77/$ after 3 months, paying an option premium of ₹1 million. With this, TCS will have the right to sell USD 1mn at an exchange rate of ₹77, even if the prevailing market rate at the end of three months is, say ₹75. On the other hand, if the market rate is higher, say ₹79, then TCS can choose to let the options contract lapse and instead sell at the market rate.
Order Book	See Total Contract Value
Organic Growth	The revenue growth a company can achieve by increasing its existing business activity. This does not include growth attributable to takeovers, acquisitions or mergers.
PaaS	See Platform as a Service
Personalization	Segmentation and responding to individual transactions, customized for a single customer in a single instance.
Platforms	A group of technologies that are used as a base upon which other applications, processes or technologies are developed. Useful for optimizing costs and efforts, and eliminating iterative tasks to drive strategic business initiatives.

Platform as a Service (PaaS)	A category of cloud computing that provides a platform and environment to allow developers to build applications and services over the internet. PaaS services are hosted in the cloud and accessed by users simply via their web browser.
Pricing	The price charged to the customer for a billable effort, turnkey project or a certain process/outcomes depending on the nature of the contract. Some use this term interchangeably (and somewhat inaccurately) with the average revenue realized by the company per billed effort on an aggregate basis. See Realization.
Private Cloud	Refers to a model of cloud computing where IT infrastructure, in terms of compute and storage resources are provisioned for the dedicated use of a single organization.
Product	In the technology context, refers to a packaged software program that is made available to multiple customers either on a license basis, or on a subscription basis, to enable the execution of certain common tasks or processes or business functions in a standardized way. This is the opposite of bespoke or custom software which is built to specifications to meet a customer's unique needs.
Public Cloud	A computing service model used for the provisioning of storage and computational services to the general public over the internet. Public cloud facilitates access to IT resources on a 'pay as you go' billing model.
R&I	Acronym for Research & Innovation

Realization	The revenue received by the company per utilized effort. Pricing varies by service and by market. Consequently, there can be changes in realization compared to a prior period, due to changes in the underlying business or geographic mix during the period. This does not necessarily mean that like-to-like pricing has changed. Also, realization doesn't take into account the costs and therefore, higher realization is not necessarily more profitable.
Related Party Transactions	Any transaction between a company and its related party involving transfer of services, resources or any obligations regardless of whether a price is charged. Please refer to the Company's policy on Related Party Transactions: http://www.tcs.com/ir-corporate-governance
Revenue	The income earned by the Company from operations by providing IT and consulting services, software licenses, and hardware equipment to customers.
RFP	Acronym for Request for Proposal, meaning a document that solicits proposal, often made through a bidding process, by an entity interested in procurement of IT services, to potential service providers, to submit business proposals. An RFP is floated early in the procurement cycle and requested information may include basic corporate information and history, financial information, technical capability and estimated completion period, and customer references.
Robotic Process Automation	The use of software tools to automate high-volume, repeatable tasks that previously required humans to perform. RPA is best suited for relatively static and stable processes. Dynamic changes in the environment require ongoing upkeep of the robots, diluting the economic benefit of the automation. Increasingly, customers are preferring cognitive automation over RPA.
RPA	See Robotic Process Automation
SBWS™	See Secure Borderless Workspaces
Secure Borderless Workspaces™	TCS' innovative operating model rolled out in response to the COVID-19 disruption. It is a fully location agnostic extension of the Location Independent Agile model enabling employees to work remotely, while retaining the same high rigor in project management, governance and security. The fully distributed nature of this model is better suited to ensure business continuity. It leverages TCS' prior investments and incorporates the learnings and best practices around network management, standard service delivery environment, digital governance approaches, heavy use of collaborative and cloud based technologies and an internal SOC benchmarked to the best in the industry.
SEZ	See Special Economic Zone

Shareholder Payout Ratio	The proportion of earnings paid to shareholders as a percentage of the Company's earnings, i.e. Net Income attributable to Shareholders of the Company. Payout can be in the form of dividend (including dividend distribution tax) and Share Buyback.
Simplification	The rationalization of IT architectures through consolidation of systems and elimination of redundant systems and layers. The primary purpose is to shrink the IT footprint and make operations leaner and more efficient.
Sole Sourced Contract	Non-competitive agreements that allow a single vendor to fulfill the needs of the contractual requirements. These types of contracts can be won when the competitive set narrows down significantly and comes down to a single vendor discussion given the nature of the client's solution requirements.
Special Economic Zone	In India, these are designated areas in which business and trade laws are different from the rest of the country, with various benefits and tax breaks to promote exports, attract investments, and create local jobs.
STEM	An acronym for education in the fields of science, technology, engineering and math.
T&M	See Time and Materials Contract.
TCS Pace™	A brand promise that represents the way TCS channels its domain knowledge and organizational units – business and technology services, industry solutions units, and the research and innovation organization – into internal and external co-innovation programs.
TCS Pace Port™	Physical spaces where TCS Pace can be experienced. These spaces are close to academic and start-up hubs, and enclose innovation showcases, Agile workspaces and think spaces. They encourage brainstorming, design thinking and collaborative innovation with internal and external partners.
TCV	See Total Contract Value.
Time and Materials Contract	A form of services contract where the customer is billed for the effort (in hours, days, weeks, etc.) logged by the project team members. Project risk is borne by the customer. This contrasts with Fixed Price Contracts.
Total Contract Value	An aggregation of the value of all the contracts signed during a period and a useful indicator of demand, and near term business visibility.
Turnkey Contracts	See Fixed Price Contracts.
Unearned and Deferred Revenue	The invoices raised in line with agreed milestones for services yet to be delivered. In other words, it is the amount that has been invoiced although the underlying effort is yet to be expended.
VR	See Virtual Reality.
Virtual Reality	Artificial, computer-generated simulation or recreation of a real-life environment or situation. It engages users by allowing simulated reality experiences firsthand, primarily by stimulating their vision and hearing.
Virtualization	The abstraction of IT resources – like a server, client, storage or network – that masks the physical nature and boundaries of those resources from the users of those resources.

Voluntary Attrition	Refers to reduction in workforce caused by [illegible] employees willingly leaving the organization to pursue other opportunities, spend time with family, or for some other personal reasons
XR	Extended reality, an umbrella term that covers augmented reality, virtual reality and mixed reality
Y-o-Y	Year on Year

Disclaimer: This glossary is intended to help understand commonly used terms and phrases in this report. The explanations are not intended to be technical definitions. If explanations provided here are found to be different from what is described in the Company's periodic financial statements (not limited to Notes to Accounts), then the definition provided in the certified financial statements will prevail.

About this Report[1]

This report, for FY 2020 (year ending March 31, 2020) is an Integrated Report that subsumes the sustainability report that TCS has been publishing every year-the last edition being in FY 2019. It has been prepared in accordance with the Integrated Reporting framework and GRI Standards Core option. The basis and exclusions are as below:

Data	Basis	Exclusions
Financial	TCS' consolidated global operations	None
Human Resources	TCS' global operations, including wholly owned subsidiaries	Subsidiaries not wholly owned by TCS (accounting for 2.4% of the consolidated headcount)
Environmental	Delivery centers in Argentina, Brazil, Chile, China, Colombia, Hungary, India, Mexico, Peru, Philippines, Singapore, UK and Uruguay	Remaining delivery centers, accounting for ~4% of the headcount

The data measurement techniques used, and the basis of calculations and estimates have been mentioned in the relevant areas of this report. TCS does not believe there is any substantial divergence from the GRI Indicator Protocols. The scope, boundaries, and methodology for data analysis in this document remain the same as in the prior year. There has been no restatement of information or changes in the material topics or boundaries since the prior year. The data is sourced from Ultimatix, our core enterprise platform. Other supporting data is reviewed by relevant third-party assurers as part of ISO and financial audits.

Ernst & Young has assured the data presented under GRI Standards disclosures as specified in their Assurance Statement. The scope and basis of assurance have been described in their assurance letter. The Board was not involved in seeking this assurance.

Contact[2]

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Please email any feedback/queries to: **corporate.sustainability@tcs.com**

[1] 102-10, 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56
[2] 102-3, 102-53

Stakeholder Engagement Framework

TCS engages with a broad spectrum of stakeholders - internal and external - to understand their concerns and priorities and uses these to guide policy formulation and decision making. Business considerations govern decisions about which stakeholders to engage with, in what manner and with what periodicity.

The key stakeholders identified in consultation with our company's management are: customers, employees, shareholders, academic institutions, hardware vendors, staffing firms, other suppliers, partners and collaborators, industry bodies such as NASSCOM and CII, governments, NGOs, local communities and society at large. Some other stakeholders that we closely engage with - such as industry analysts, equity analysts, and the news media are not mentioned here because they are proxies for other named stakeholders - ie customers, shareholders, and society at large respectively.

The Company continually engages with all its stakeholders to ensure an ongoing dialog. Interactions might be structured (eg: surveys, account statements) or unstructured (town halls, 1x1 meetings). Based on mutual convenience and need, the engagement may be scheduled as needed, or pre-scheduled on a periodic basis (fortnightly / monthly / quarterly / annual), or continuous (eg: website, social media).

102-13

102-40, 102-42

102-43

Identification of Material Topics

Stakeholder interactions result in the identification of a broad funnel of issues important to each of the constituencies. The Company's Sustainability Council uses customer satisfaction surveys, employee surveys, first-hand feedback from investors, and discussions with internal and external stakeholders, as well as its own judgment, to prioritize and arrive at a list of material topics with significant economic, environmental, or social impacts on TCS' business, reputation and operations. These topics are listed below.

Material Topics[5]	Why This is Material	Key Concerns[7]	Boundary of Impact	GRI Indicators
Corporate governance	Strong corporate governance that takes into account stakeholder concerns, engenders trust, oversees business strategies, and ensures fiscal accountability, ethical corporate behavior, and fairness to all stakeholders is core to achieving the organization's longer term mission.	Governance structure and composition; Independence of the Board; Avoidance of conflict of interest; Board oversight; Disclosure and transparency; Ethics and compliance	Internal	102-18, 102-16
Business sustainability	A financially strong, viable business that is able to adapt to changing technology landscapes to remain relevant to customers and profitably grow its revenues year-on-year, is essential to meet longer term expectations of stakeholders.	Economic performance; Demand sustainability; Investments in capability development	Internal	201-1
Talent management	The company's ability to attract, develop, motivate, and retain talent is critical to business success.	Talent acquisition; Talent development; Diversity and equal opportunity; Talent retention; Employee engagement; Health and safety	Internal	401-3 402-1 403-1 404-1 405-2
Social responsibility	Business has to be rooted in community and be aligned with its larger interests. Any adversarial relationship can hurt the company's ability to create longer term value.	Local communities: Education and skill development; Job creation; Taxes generated; Health and wellness; Environmental stewardship	External	413-1
Environmental footprint	Business sustainability is linked to the planet's sustainability. Moreover, good environmental practices result in greater operational efficiency, adding to financial sustainability.	Energy consumption; GHG emissions; Water management; Effluents and waste	Internal	302-1 303-1 305-1 306-1

Material topics, aspects, and boundary of impact[6]

[5] 102-47
[6] 102-44
[7] 102-46, 102-47. Boundary of impact: Internal includes all TCS offices and campuses. 103-1

GRI Content Index[1]

GRI Standard	Disclosure	Page No.	Omission
GRI 101: Foundation 2016 (GRI 101 doesn't include any disclosures)			
General disclosures			
Organizational Profile			
GRI 102: General Disclosures 2016	102-1 Name of the organization	1	
	102-2 Activities, brands, products and services	77	
	102-3 Location of headquarters	328	
	102-4 Location of operations	77	
	102-5 Ownership and legal form	1	
	102-6 Markets served	77	
	102-7 Scale of the organization	1	
	102-8 Information on employees and other workers	84	
	102-9 Supply Chain	85	
	102-10 Significant changes to the organization and its supply chain	328	
	102-11 Precautionary principle or approach	128	
	102-12 External initiatives	80	
	102-13 Membership of associations	329	
Strategy			
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	7	
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	133	

1 102-55

GRI Standard	Disclosure	Page No.	Omission
Governance			
GRI 102: General Disclosures 2016	102-18 Governance structure	132	
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	329	
	102-41 Collective bargaining agreements	86	
	102-42 Identifying and selecting stakeholders	329	
	102-43 Approach to stakeholder engagement	329	
	102-44 Key topics and concerns raised	330	
Reporting Practice			
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	59, 328	
	102-46 Defining report content and topic boundaries	328, 330	
	102-47 List of material topics	330	
	102-48 Restatements of information	328	
	102-49 Changes in reporting	328	
	102-50 Reporting period	328	
	102-51 Date of most recent report	328	

GRI Standard	Disclosure	Page No.	Omission
GRI 102: General Disclosures 2016	102-52 Reporting cycle	328	
	102-53 Contact point for questions regarding the report	328	
	102-54 Claims of reporting in accordance with the GRI Standards	328	
	102-55 GRI content index	331	
	102-56 External assurance	328	

GRI Standard	Disclosure	Page No	Omission
Material Topics - Economic			
GRI 201 – Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	330	
	103-2 The management approach and its components	79	
	103-3 Evaluation of the management approach	95	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	12, 59	

Material Topics - Environment			
GRI 302: Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	330	
	103-2 The management approach and its components	129	
	103-3 Evaluation of the management approach	129	
GRI 302: Energy 2016	302-1 Direct (Scope 1) GHG Emissions	128	
GRI 303: Water			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	130	
	103-2 The management approach and its components	130	
	103-3 Evaluation of the management approach	130	
GRI 303: Water 2016	303-1 Water withdrawal by source	130	
GRI 305: Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	330	
	103-2 The management approach and its components	128	
	103-3 Evaluation of the management approach	128	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	129	

GRI Standard	Disclosure	Page No	Omission
Material Topics - Environment			
GRI 306: EFFLUENTS AND WASTE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	330	
	103-2 The management approach and its components	130	
	103-3 Evaluation of the management approach	130	
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination	130	

Material Topics - Social			
GRI 401: Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	330	
	103-2 The management approach and its components	83	
	103-3 Evaluation of the management approach	83	
	401-3 Parental Leave	86	
GRI 402: Labor/Management Relations			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	130	
	103-2 The management approach and its components	113	
	103-3 Evaluation of the management approach	113	
GRI 402: Employment	402-1 Minimum notice periods regarding operational changes	86	
GRI 403: Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	330	
	103-2 The management approach and its components	89	
	103-3 Evaluation of the management approach	89	
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management–worker health and safety committees	89	

GRI Standard	Disclosure	Page No	Omission
Material Topics – Social			
GRI 404: Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	330	
	103-2 The management approach and its components	97	
	103-3 Evaluation of the management approach	97	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	97	
GRI 405: Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	330	
	103-2 The management approach and its components	96	
	103-3 Evaluation of the management approach	96	
GRI 405: Diversity and Equal Opportunity	405-2 Ratio of basic salary and remuneration of women to men	96	
GRI 413: Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	330	
	103-2 The management approach and its components	112	
	103-3 Evaluation of the management approach	112	
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	112	

TCS Safe Harbor Clause

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to, our ability to manage growth, intense competition among global IT services companies, various factors which may affect our profitability, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on cross-border movement of skilled personnel, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property, pandemics, natural disasters and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

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