

EXTRACT FROM CONSOLIDATED AUDITED ACCOUNTS OF  
TATA CONSULTANCY SERVICES LIMITED  
AS AT MARCH 31, 2015

**TATA CONSULTANCY SERVICES LIMITED**  
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

(₹ crores)

	Note	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	195.87	195.87
(b) Reserves and surplus	4	50438.89	48998.89
		50634.76	49194.76
<b>Minority interest</b>			
		1127.76	707.99
<b>Non-current liabilities</b>			
(a) Long-term borrowings	5	114.27	127.26
(b) Deferred tax liabilities (net)	6 (a)	342.96	308.80
(c) Other long-term liabilities	7	825.02	743.07
(d) Long-term provisions	8	297.87	385.59
		1580.12	1564.72
<b>Current liabilities</b>			
(a) Short-term borrowings	9	185.56	127.09
(b) Trade payables		8830.93	5536.02
(c) Other current liabilities	10	3646.59	3621.24
(d) Short-term provisions	11	7655.16	6385.96
		20318.24	15670.31
<b>TOTAL</b>		<b>73660.88</b>	<b>67137.78</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		9376.12	7034.81
(ii) Intangible assets		168.83	240.74
(iii) Capital work-in-progress		2766.37	3168.48
		12311.32	10444.03
(b) Non-current investments	13	169.18	2275.27
(c) Deferred tax assets (net)	6 (b)	593.94	420.06
(d) Long-term loans and advances	14	9154.92	7286.62
(e) Other non-current assets	15	525.30	1545.33
(f) Goodwill (on consolidation)		2093.22	2268.78
		24847.88	24240.09
<b>Current assets</b>			
(a) Current investments	16	1492.60	1158.47
(b) Inventories	17	16.07	15.21
(c) Unbilled revenue	18	3827.08	4005.61
(d) Trade receivables	19	20437.94	18230.40
(e) Cash and bank balances	20	18556.04	14441.84
(f) Short-term loans and advances	21	4146.45	4310.80
(g) Other current assets	22	336.82	735.36
		48813.00	42897.69
<b>TOTAL</b>		<b>73660.88</b>	<b>67137.78</b>

**III. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-46**

As per our report attached

For and on behalf of the Board

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Cyrus Mistry**  
Chairman

**N. Chandrasekaran**  
CEO and Managing Director

**V. Thyagarajan**  
Director

**P. R. Ramesh**  
Partner

**Aman Mehta**  
Director

**Prof. Clayton M. Christensen**  
Director

**Dr. Ron Sommer**  
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**Phiroz Vandrevala**  
Director

**O.P. Bhatt**  
Director

**Rajesh Gopinathan**  
Chief Financial Officer

**Aarthi Subramanian**  
Director

**Suprakash Mukhopadhyay**  
Company Secretary

Mumbai, April 16, 2015

Mumbai, April 16, 2015

**TATA CONSULTANCY SERVICES LIMITED**  
CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ crores)

	Note	For the year ended March 31, 2015	For the year ended March 31, 2014
I. Revenue from operations (Net of excise duty of ₹ 4.09 crores (Previous year ₹ 3.15 crores))	23	94648.41	81809.36
II. Other income (net)	24	3229.91	1636.74
<b>TOTAL REVENUE</b>		<b>97878.32</b>	<b>83446.10</b>
III. Expenses:			
(a) Employee benefit expenses	25	38701.15	29860.01
(b) Operation and other expenses	26	31465.55	26796.56
(c) Finance costs	27	104.19	38.52
(d) Depreciation and amortisation expense (Refer note 43)	12	1798.69	1349.15
<b>TOTAL EXPENSES</b>		<b>72069.58</b>	<b>58044.24</b>
<b>IV. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX</b>		<b>25808.74</b>	<b>25401.86</b>
V. Exceptional item	43	489.75	-
<b>VI. PROFIT BEFORE TAX</b>		<b>26298.49</b>	<b>25401.86</b>
VII. Tax expense:			
(a) Current tax	28	6275.65	6148.26
(b) Deferred tax		(28.18)	(27.14)
(c) Fringe benefit tax		0.37	0.13
(d) MAT credit entitlement	28	(9.05)	(51.26)
		<b>6238.79</b>	<b>6069.99</b>
<b>VIII. PROFIT FOR THE YEAR BEFORE MINORITY INTEREST</b>		<b>20059.70</b>	<b>19331.87</b>
IX. Minority interest		207.52	168.00
<b>X. PROFIT FOR THE YEAR</b>		<b>19852.18</b>	<b>19163.87</b>
XI. Earnings per equity share :- Basic and diluted (₹)	37	101.35	97.67
Weighted average number of equity shares (face value of ₹ 1 each)		1,95,87,27,979	1,95,87,27,979

**X. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-46**

As per our report attached

For and on behalf of the Board

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Company Secretary

Mumbai, April 16, 2015

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**TATA CONSULTANCY SERVICES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**

(₹ crores)

Note	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	26298.49	25401.86
Adjustments for:		
Depreciation and amortisation expense	1798.69	1349.15
Impact of change in depreciation policy and estimates	(489.75)	-
Bad debts written-off\recovered) (net)	12.46	(5.71)
Provision of doubtful receivables (net)	141.33	90.96
Provision for doubtful advances (net)	6.42	10.17
Advances (recovered)/written off (net)	0.25	(0.12)
Provision for diminution in value of investments (net)	1.40	-
Interest expense	104.19	38.52
Profit on sale of fixed assets (net)	(2.54)	(4.55)
Unrealised exchange (gain)/loss (net)	27.05	(68.45)
Exchange difference on translation of foreign currency cash and cash equivalents	27.26	(43.66)
Dividend income	(9.49)	(9.25)
Interest income	(1,596.61)	(1340.00)
Profit on redemption of mutual funds and sale of other current investments (net)	(233.10)	(173.09)
<b>Operating profit before working capital changes</b>	<b>26086.05</b>	<b>25245.83</b>
Inventories	(0.86)	5.94
Unbilled revenue	212.76	(811.60)
Trade receivables	(2140.77)	(4,015.80)
Loans and advances and other assets	(711.75)	(296.00)
Trade payables, other liabilities and provisions	3405.11	1666.67
<b>Cash generated from operations</b>	<b>26850.54</b>	<b>21795.04</b>
Taxes paid	(7481.76)	(7043.63)
<b>Net cash provided by operating activities</b>	<b>19368.78</b>	<b>14751.41</b>
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2949.20)	(3126.15)
Proceeds from sale of fixed assets	6.70	13.83
Acquisition of subsidiaries net of cash of ₹ 25.23 crores (March 31, 2014: ₹ 53.80 crores)	(263.65)	(452.41)
Purchase of shares from minority shareholders	(74.47)	-
Purchase of mutual funds and other investments	(67296.17)	(82613.36)
Redemption of mutual funds and sale of other investments	69360.96	81326.64
Inter-corporate deposits placed	(1797.00)	(2665.00)
Inter-corporate deposits matured	1952.00	3539.77
Fixed deposit placed with banks having original maturity over three months	(15538.60)	(12774.14)
Fixed deposit with banks matured having original maturity over three months	13064.39	5706.77
Earmarked deposits with banks placed	(195.44)	-
Earmarked deposits with banks matured	25.27	-
Dividends received	9.49	9.25
Interest received	1994.40	1367.72
<b>Net cash used in investing activities</b>	<b>(1701.32)</b>	<b>(9667.08)</b>

**TATA CONSULTANCY SERVICES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**

(₹ crores)

Note	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(0.47)	(1.24)
Short-term borrowings (net)	43.41	8.44
Proceeds from other borrowings	-	117.67
Repayment of other borrowings	-	(140.02)
Dividend paid, including dividend tax	(17020.46)	(5480.07)
Dividend paid to minority shareholders of subsidiaries and dividend tax on dividend paid by subsidiaries	(85.11)	(39.96)
Redemption of Preference Shares		(100.00)
Interest paid	(104.98)	(38.06)
<b>Net cash used in financing activities</b>	<b>(17167.61)</b>	<b>(5673.24)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	499.85	(588.91)
Cash and cash equivalents at the beginning of the year	1467.86	1841.36
Exchange difference on translation of foreign currency cash and cash equivalents	(105.82)	215.41
<b>Cash and cash equivalents at the end of the year</b>	<b>1861.89</b>	<b>1467.86</b>
Earmarked balances with banks	312.67	25.59
Short-term bank deposits	16381.48	12948.39
<b>Cash and bank balances at the end of the year</b>	<b>18556.04</b>	<b>14441.84</b>
<b>Supplementary disclosure of cash flow non-cash investing activities:</b>		
Investment in shares at cost received in settlement of trade receivables	58.87	-
Issue of shares on acquisition of subsidiary	58.66	-

**IV NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-46**

As per our report attached

For and on behalf of the Board

**For Deloitte Haskins & Sells LLP**  
*Chartered Accountants*

**Cyrus Mistry**  
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*Company Secretary*

Mumbai, April 16, 2015

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**1) CORPORATE INFORMATION**

Tata Consultancy Services Limited (“the Company”) and its subsidiaries (collectively referred to as “the Group”) provide consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. The Group’s full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Cloud Services, Connected Marketing Solutions, Consulting, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON -Small and Medium Businesses, IT Infrastructure Services, Mobility Products and Services and Platform Solutions.

As at March 31, 2015, Tata Sons Limited owned 73.69 % of the Company’s equity share capital and has the ability to control its operating and financial policies. The Company’s registered office is in Mumbai and it has 60 subsidiaries across the globe.

**2) SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (‘Indian GAAP’) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

**b) Principles of consolidation**

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- ii) The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the ‘Equity method’ as per which the share of profit / loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- iii) The excess of the cost to the parent of its investments in a subsidiary over the parent’s portion of equity at the date on which investment in the subsidiary is made, is recognised as ‘Goodwill (on consolidation)’. When the cost to the parent of its investment in a subsidiary is less than the parent’s portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as ‘Capital Reserve (on consolidation)’ in the consolidated financial statements.
- iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.
- v) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**c) Use of estimates**

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known/materialise.

**d) Fixed Assets**

Fixed assets are stated at cost, less accumulated depreciation/amortisation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets exclude computers and other assets individually costing ₹ 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

**e) Depreciation / Amortisation**

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the period, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

Type of asset	Period
Leasehold land and buildings	Lease period
Freehold buildings	20 years
Factory buildings	20 years
Leasehold improvements	Lease period
Plant and machinery	10 years
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years
Goodwill	12 years
Acquired contract rights	12 years
Intellectual property / distribution rights	5 Years
Software licenses	License period
	2-5 years
Rights under licensing agreement	License period

Fixed assets purchased for specific projects will be depreciated over the period of the project or the useful life stated above, whichever is shorter.

**f) Leases**

Where the Group, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognised in the statement of profit and loss on a straight-line basis.

**g) Impairment**

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**h) Investments**

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long term investments, are stated at the lower of cost and fair value.

**i) Employee benefits**

i) Post-employment benefit plans

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

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as 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.

ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

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.

**j) Revenue recognition**

Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue from the sale of equipments are recognised upon delivery, which is when the title passes to the customer.



Revenue from sale of software licenses are recognised upon delivery.

Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

In respect of Business Process Services (BPS), revenue on time and material and unit priced contracts is recognised as the related services are rendered, whereas revenue from fixed price contracts is recognised using the proportionate completion method with contract cost determining the degree of completion.

Revenue is reported net of discounts.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

**k) Taxation**

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company and its Indian subsidiaries will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

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 for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis.

The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

**l) Foreign currency transactions**

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on foreign currency forward, option and futures contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward, currency option and future contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the statement of profit and loss.

For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under foreign currency translation reserve.

**m) Derivative instruments and hedge accounting**

The Group uses foreign currency forward, option and futures contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges.

The use of hedging instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the statement of profit and loss. The Group separates the intrinsic value and time value of an option and designates as hedging instruments, only the fair value change in the intrinsic value of the derivative instruments. The change in fair value of the time value of derivative instruments, which was previously recognised immediately in statement of profit and loss, is now accumulated in hedging reserve, a component of shareholders' funds and is classified to statement of profit and loss when the forecast transaction occurs.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is classified to Statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss for the period.

**n) Inventories**

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

**o) Government grants**

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic and rational basis.

**p) Provisions, Contingent liabilities and Contingent assets**

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**q) 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.

**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**3) SHARE CAPITAL**

The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares and redeemable preference shares having a par value of ₹ 1 each as follows:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
<b>Authorised</b>		
(i) 420,05,00,000 equity shares of ₹ 1 each (March 31, 2014 : 420,05,00,000 equity shares of ₹ 1 each)	420.05	420.05
(ii) 105,02,50,000 redeemable preference shares of ₹ 1 each (March 31, 2014 : 105,02,50,000 redeemable preference shares of ₹ 1 each)	105.03	105.03
	525.08	525.08
<b>Issued, Subscribed and Fully Paid-up</b>		
195,87,27,979 equity shares of ₹ 1 each (March 31, 2014 : 195,87,27,979 equity shares of ₹ 1 each)	195.87	195.87
	195.87	195.87

The authorised share capital was increased to 420,05,00,000 equity shares of ₹ 1 each and 105,02,50,000 redeemable preference shares of ₹ 1 each pursuant to the amalgamation of two wholly-owned subsidiaries, Retail FullServe Limited and Computational Research Laboratories Limited vide Order dated March 22, 2013 and TCS e-Serve Limited vide order dated September 6, 2013 of the Hon'ble High Court of Judicature at Bombay .

**a) Reconciliation of number of shares**

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount (₹ crores)	Number of shares	Amount (₹ crores)
<b>Equity shares</b>				
Opening balance	195,87,27,979	195.87	195,72,20,996	195.72
Issued during the year	-	-	15,06,983	0.15
Closing balance	195,87,27,979	195.87	195,87,27,979	195.87
<b>Preference shares</b>				
Opening balance	-	-	100,00,00,000	100.00
Redeemed during the year	-	-	(100,00,00,000)	(100.00)
Closing balance	-	-	-	-

**b) Rights, preferences and restrictions attached to shares**

**Equity 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. 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.

**Preference shares**

Preference shares carried a fixed cumulative dividend of 1% per annum and a variable non-cumulative dividend of 1% of the difference between the rate of dividend declared during the year on the equity shares of the Company and the average rate of dividend declared on the equity shares of the Company for three years preceding the year of issue of the redeemable preference shares.

**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**c) Shares held by holding company and its subsidiaries and associates**

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
<b>Equity shares</b>		
<b>Holding Company</b>		
144,34,51,698 equity shares (March 31, 2014 : 144,34,51,698 equity shares) are held by Tata Sons Limited	144.35	144.35
<b>Subsidiaries and associates of Holding Company</b>		
10,29,700 equity shares (March 31, 2014 : 10,29,700 equity shares) are held by Tata Industries Limited	0.10	0.10
5,90,452 equity shares (March 31, 2014 : 5,90,452 equity shares) are held by Tata Investment Corporation Limited	0.06	0.06
200 equity shares (March 31, 2014 : 200 equity shares) are held by Tata Capital Limited	-	-
83,232 equity shares (March 31, 2014 : 83,232 equity shares) are held by Tata International Limited	0.01	0.01
452 equity shares (March 31, 2014 : 452 equity shares) are held by The Tata Power Company Limited	-	-
<b>Total</b>	144.52	144.52

**d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at March 31, 2015	As at March 31, 2014
<b>Equity shares</b>		
Tata Sons Limited, the Holding Company	144,34,51,698	144,34,51,698
	73.69%	73.69%

**e) Equity shares allotted as fully paid up (during 5 years preceding March 31, 2015) including equity shares issued:**

**Pursuant to contract without payment being received in cash**

15,06,983 equity shares of ₹ 1 each have been issued to the shareholders of TCS e-Serve Limited in terms of the composite scheme of arrangement (the "Scheme") sanctioned by the High Court of Judicature at Bombay vide their order dated September 6, 2013.

**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**4) RESERVES AND SURPLUS**

Reserves and surplus consist of the following reserves:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Capital reserve (on consolidation)		
(i) Opening balance	24.50	24.50
(ii) Additions during the year (net) (Refer note 30(a))	50.76	-
	75.26	24.50
(b) Capital redemption reserve		
(i) Opening balance	157.52	0.40
(ii) Transferred from surplus in statement of profit and loss	255.57	157.12
	413.09	157.52
(c) Securities premium reserve		
(i) Opening Balance	1918.87	1918.47
(ii) Transferred on amalgamation	-	0.40
	1918.87	1918.87
(d) Foreign currency translation reserve		
(i) Opening balance	1547.78	972.11
(ii) (Deductions)/Additions during the year (net)	(496.61)	575.67
	1051.17	1547.78
(e) Hedging reserve (Refer note 40)		
(i) Opening balance	29.64	46.11
(ii) Additions/(Deductions) during the year (net)	121.11	(16.47)
	150.75	29.64
(f) General reserve		
(i) Opening balance	5742.39	5841.80
(ii) Adjustments on amalgamation	1.15	(1982.82)
(iii) Transferred from surplus in statement of profit and loss	1953.64	1883.41
	7697.18	5742.39
(g) Statutory reserve		
(i) Opening balance	73.68	16.65
(ii) Transferred from surplus in statement of profit and loss	46.24	57.03
	119.92	73.68
(h) Surplus in statement of profit and loss		
(i) Opening balance	39504.51	29529.97
(ii) Add : Profit for the year	19852.18	19163.87
	59356.69	48693.84
(iii) Less : Appropriations		
(a) Interim dividends on equity shares	10772.92	2349.87
(b) Proposed final dividend on equity shares	4700.95	3917.46
(c) Dividend on redeemable preference shares	-	28.76
(d) Tax on dividend	2635.69	795.68
(e) Write back of tax on dividend of prior years	(20.97)	-
(f) Capital Redemption Reserve	255.57	157.12
(g) General reserve	1953.64	1883.41
(h) Statutory reserve	46.24	57.03
	39012.65	39504.51
	50438.89	48998.89

The Board of Directors at its meeting held on April 16, 2014 has recommended a final dividend of ₹ 24 per equity share.

**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**5) LONG-TERM BORROWINGS**

Long-term borrowings consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Secured loans		
Long-term maturities of obligations under finance lease*	113.69	126.21
(b) Unsecured loans		
Other borrowings (from entities other than banks)	0.58	1.05
	114.27	127.26

\* Refer note 35

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

**6) DEFERRED TAX BALANCES**

Major components of deferred tax balances consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
<b>(a) Deferred tax liabilities (net)</b>		
(i) Foreign branch profit tax	256.03	217.88
(ii) Depreciation and amortisation	25.11	16.40
(iii) Employee benefits	(0.61)	(0.95)
(iv) Provision for doubtful receivables, loans and advances	(0.17)	(0.11)
(v) Others	62.60	75.58
	342.96	308.80
<b>(b) Deferred tax assets (net)</b>		
(i) Depreciation and amortisation	(129.55)	(57.98)
(ii) Employee benefits	293.57	211.20
(iii) Operating lease liabilities	83.10	72.19
(iv) Provision for doubtful receivables, loans and advances	158.07	112.70
(v) Others	188.75	81.95
	593.94	420.06

**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**7) OTHER LONG-TERM LIABILITIES**

Other long-term liabilities consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Capital creditors	67.53	92.27
(b) Operating lease liabilities	344.51	292.71
(c) Other liabilities	412.98	358.09
	825.02	743.07

**8) LONG-TERM PROVISIONS**

Long-term provisions consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Provision for employee benefits		
Gratuity	21.50	158.78
Foreign defined benefit plans	140.42	74.17
Other post retirement benefits	41.47	41.96
(b) Provision for other payables	94.48	110.68
	297.87	385.59

**9) SHORT-TERM BORROWINGS**

Short-term borrowings consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Secured loans		
From other parties	-	33.58
(b) Unsecured loans		
Loans repayable on demand from banks	185.56	93.51
	185.56	127.09

Secured loans from other parties were secured against trade receivables.

**TATA CONSULTANCY SERVICES LIMITED**  
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**10) OTHER CURRENT LIABILITIES**

Other current liabilities consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Current maturities of long-term debt	0.47	0.47
(b) Current maturities of obligations under finance lease*	57.40	42.05
(c) Interest accrued but not due on borrowings	0.48	1.27
(d) Income received in advance	1062.31	1050.73
(e) Unclaimed dividends	19.77	13.82
(f) Advance received from customers	130.76	62.81
(g) Operating lease liabilities	57.50	37.09
(h) Other payables	2317.90	2413.00
	3646.59	3621.24
Other payables include :		
Fair values of foreign currency forward, option and future contracts secured against trade receivables	19.75	22.95
Statutory liabilities	1143.66	1179.52
Capital creditors	337.41	487.53

\* Refer note 35

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

**11) SHORT-TERM PROVISIONS**

Short-term provisions consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits	1356.15	1046.90
(b) Others		
(i) Proposed final dividend on equity shares	4700.95	3917.46
(ii) Proposed dividend on redeemable preference share	-	28.76
(iii) Tax on dividend	947.68	683.13
(iv) Current income taxes (net)	547.34	672.10
(v) Provision for other payables	103.04	37.61
	7655.16	6385.96

Provision for employee benefits includes provision for compensated absences and other short-term employee benefits.



**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**12) FIXED ASSETS**

**(i) Tangible assets**

(₹ crores)

Description	Freehold land	Leasehold land	Freehold buildings	Factory buildings	Leasehold buildings	Leasehold Improvements	Plant and machinery	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Gross block as at April 1, 2014	<b>346.13</b>	<b>216.58</b>	<b>3508.02</b>	<b>2.77</b>	<b>14.62</b>	<b>1289.89</b>	<b>10.29</b>	<b>4166.29</b>	<b>27.80</b>	<b>1513.11</b>	<b>1050.35</b>	<b>1016.55</b>	<b>13162.40</b>
	343.59	201.07	2889.61	2.77	14.59	1052.17	10.67	3547.79	26.79	1248.20	900.06	759.03	10996.34
Additions	<b>0.30</b>	<b>1.01</b>	<b>1302.64</b>	-	-	<b>424.72</b>	<b>116.40</b>	<b>1036.04</b>	<b>4.72</b>	<b>268.65</b>	<b>249.88</b>	<b>256.58</b>	<b>3660.94</b>
	0.64	15.51	612.44	-	0.03	273.53	-	681.54	3.31	265.53	166.17	255.54	2274.24
Deletions/Adjustments	-	-	<b>(0.34)</b>	-	-	<b>1.94</b>	<b>(0.01)</b>	<b>(65.49)</b>	<b>(3.95)</b>	<b>(10.15)</b>	<b>(0.82)</b>	<b>0.70</b>	<b>(78.12)</b>
	-	-	(0.08)	-	-	(51.12)	(0.38)	(112.62)	(2.39)	(8.46)	(13.88)	(8.29)	(197.22)
Translation exchange difference	<b>0.83</b>	-	<b>2.66</b>	-	-	<b>(38.51)</b>	-	<b>(64.15)</b>	<b>(0.20)</b>	<b>(2.75)</b>	<b>(4.64)</b>	<b>(14.51)</b>	<b>(121.27)</b>
	1.90	-	6.05	-	-	15.31	-	49.58	0.09	7.84	(2.00)	10.27	89.04
Gross block as at March 31, 2015	<b>347.26</b>	<b>217.59</b>	<b>4812.98</b>	<b>2.77</b>	<b>14.62</b>	<b>1678.04</b>	<b>126.68</b>	<b>5072.69</b>	<b>28.37</b>	<b>1768.86</b>	<b>1294.77</b>	<b>1259.32</b>	<b>16623.95</b>
	346.13	216.58	3508.02	2.77	14.62	1289.89	10.29	4166.29	27.80	1513.11	1050.35	1016.55	13162.40
Accumulated depreciation as at April 1, 2014	-	<b>(16.28)</b>	<b>(602.45)</b>	<b>(1.43)</b>	<b>(12.63)</b>	<b>(634.31)</b>	<b>(10.27)</b>	<b>(2894.92)</b>	<b>(17.78)</b>	<b>(672.31)</b>	<b>(484.14)</b>	<b>(781.07)</b>	<b>(6127.59)</b>
	-	(13.30)	(469.53)	(1.23)	(11.44)	(544.99)	(10.60)	(2411.87)	(16.36)	(545.32)	(407.83)	(572.16)	(5004.63)
Depreciation for the year*	-	<b>(3.07)</b>	<b>100.13</b>	<b>(0.08)</b>	<b>(0.41)</b>	<b>(182.39)</b>	<b>(5.99)</b>	<b>(743.06)</b>	<b>(6.03)</b>	<b>(301.35)</b>	<b>(3.97)</b>	<b>(100.98)</b>	<b>(1247.20)</b>
	-	(2.98)	(132.20)	(0.20)	(1.21)	(131.97)	(0.05)	(566.28)	(3.16)	(136.52)	(96.81)	(212.60)	(1283.98)
Deletions/Adjustments	-	-	<b>0.08</b>	-	-	<b>0.18</b>	<b>0.01</b>	<b>61.57</b>	<b>3.82</b>	<b>6.41</b>	<b>0.41</b>	<b>1.65</b>	<b>74.13</b>
	-	-	0.05	-	0.02	50.10	0.38	108.19	1.83	12.72	17.89	7.45	198.63
Translation exchange difference	-	-	<b>(0.50)</b>	-	-	<b>11.48</b>	-	<b>35.22</b>	<b>0.19</b>	<b>0.26</b>	<b>1.12</b>	<b>5.06</b>	<b>52.83</b>
	-	-	(0.77)	-	-	(7.45)	-	(24.96)	(0.09)	(3.19)	2.61	(3.76)	(37.61)
Accumulated depreciation as at March 31, 2015	-	<b>(19.35)</b>	<b>(502.74)</b>	<b>(1.51)</b>	<b>(13.04)</b>	<b>(805.04)</b>	<b>(16.25)</b>	<b>(3541.19)</b>	<b>(19.80)</b>	<b>(966.99)</b>	<b>(486.58)</b>	<b>(875.34)</b>	<b>(7247.83)</b>
	-	(16.28)	(602.45)	(1.43)	(12.63)	(634.31)	(10.27)	(2894.92)	(17.78)	(672.31)	(484.14)	(781.07)	(6127.59)
Net book value as at March 31, 2015	<b>347.26</b>	<b>198.24</b>	<b>4310.24</b>	<b>1.26</b>	<b>1.58</b>	<b>873.00</b>	<b>110.43</b>	<b>1531.50</b>	<b>8.57</b>	<b>801.87</b>	<b>808.19</b>	<b>383.98</b>	<b>9376.12</b>
	346.13	200.30	2905.57	1.34	1.99	655.58	0.02	1271.37	10.02	840.80	566.21	235.48	7034.81

\*Refer note 43

**TATA CONSULTANCY SERVICES LIMITED**  
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**(ii) Intangible assets**

(₹ crores)

Description	Goodwill on acquisition	Acquired contract rights	Intellectual property / distribution rights	Rights under licensing agreement and software licenses	Total
Gross block as at April 1, 2014	<b>327.64</b>	<b>252.46</b>	<b>13.51</b>	<b>141.40</b>	<b>735.01</b>
	<i>270.10</i>	<i>208.12</i>	<i>12.93</i>	<i>135.50</i>	<i>626.65</i>
Additions	-	-	-	<b>1.97</b>	<b>1.97</b>
	-	-	<i>0.58</i>	<i>9.25</i>	<i>9.83</i>
Deletions/Adjustments	-	-	-	<b>(0.17)</b>	<b>(0.17)</b>
	-	-	-	<i>(3.22)</i>	<i>(3.22)</i>
Translation exchange difference	<b>(24.09)</b>	<b>(18.56)</b>	<b>(0.06)</b>	<b>(2.00)</b>	<b>(44.71)</b>
	<i>57.54</i>	<i>44.34</i>	-	<i>(0.13)</i>	<i>101.75</i>
Gross block as at March 31, 2015	<b>303.55</b>	<b>233.90</b>	<b>13.45</b>	<b>141.20</b>	<b>692.10</b>
	<i>327.64</i>	<i>252.46</i>	<i>13.51</i>	<i>141.40</i>	<i>735.01</i>
Accumulated amortisation as at April 1, 2014	<b>(218.97)</b>	<b>(168.76)</b>	<b>(12.43)</b>	<b>(94.11)</b>	<b>(494.27)</b>
	<i>(158.01)</i>	<i>(121.78)</i>	<i>(11.82)</i>	<i>(80.24)</i>	<i>(371.85)</i>
Amortisation for the year	<b>(26.91)</b>	<b>(20.74)</b>	<b>(0.68)</b>	<b>(13.41)</b>	<b>(61.74)</b>
	<i>(26.51)</i>	<i>(20.43)</i>	<i>(0.61)</i>	<i>(17.62)</i>	<i>(65.17)</i>
Deletions/Adjustments	-	-	-	-	-
	-	-	-	<i>3.42</i>	<i>3.42</i>
Translation exchange difference	<b>17.72</b>	<b>13.65</b>	-	<b>1.37</b>	<b>32.74</b>
	<i>(34.45)</i>	<i>(26.55)</i>	-	<i>0.33</i>	<i>(60.67)</i>
Accumulated amortisation as at March 31, 2015	<b>(228.16)</b>	<b>(175.85)</b>	<b>(13.11)</b>	<b>(106.15)</b>	<b>(523.27)</b>
	<i>(218.97)</i>	<i>(168.76)</i>	<i>(12.43)</i>	<i>(94.11)</i>	<i>(494.27)</i>
Net book value as at March 31, 2015	<b>75.39</b>	<b>58.05</b>	<b>0.34</b>	<b>35.05</b>	<b>168.83</b>
	<i>108.67</i>	<i>83.70</i>	<i>1.08</i>	<i>47.29</i>	<i>240.74</i>
<b>(iii) Capital work-in-progress</b>					<b>2766.37</b>
					<i>3168.48</i>

*Previous year's figures are in italics.*

**Notes**

- (i) Freehold buildings include ₹ 2.67 crores (March 31, 2014: ₹ 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- (ii) Legal formalities relating to conveyance of freehold building having net book value ₹ 5.18 crores (March 31, 2014: ₹ 9.81 crores) are pending completion.
- (iii) Net book value of computer equipment of ₹ 78.84 crores (March 31, 2014: ₹ 86.01 crores), lease hold improvements of ₹ 56.65 crores (March 31, 2014: ₹ 67.13 crores), office equipment of ₹ 2.11 crores (March 31, 2014: ₹ Nil) and electrical installations of ₹ 3.01 crores (March 31, 2014: ₹ Nil) are under finance lease.
- (iv) Additions include ₹ 327.42 crores being value of fixed assets acquired on acquisition of IT Frontier Corporation which was renamed as Tata Consultancy Services Japan, Ltd.
- (v) Previous year's additions include ₹ 10.94 crores being value of fixed assets acquired on acquisition of Alti S.A.
- (vi) Previous year's deletions/adjustments include ₹ 10.89 crores arising on realignment of depreciation policies of TCS e-Serve Limited and TCS e-Serve International Limited's SEZ undertaking consequent to the amalgamation with the Company, primarily including adjustment to office equipment for ₹ 6.46 crore and electrical installations ₹ 6.22 crores.

**TATA CONSULTANCY SERVICES LIMITED**  
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**13) NON-CURRENT INVESTMENTS**

Non-current investments consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
<b>(a) TRADE INVESTMENTS (at cost)</b>		
<b>Fully paid equity shares (unquoted)</b>		
National Power Exchange Limited	1.40	1.40
Philippine Dealing System Holdings Corporation	5.63	5.41
Taj Air Limited	19.00	19.00
ALMC HF*	-	-
KOOH Sports Private Limited	3.00	3.00
RuralShores Business Services Private Limited*	-	-
FCM LLC	46.93	-
<b>Fully paid preference shares (unquoted)</b>		
RuralShores Business Services Private Limited	25.00	25.00
Mozido LLC	62.58	-
<b>Fully paid equity shares (quoted)</b>		
Yodlee, Inc. (listed during the year)	-	-
<b>(b) OTHER INVESTMENTS</b>		
Debentures and bonds (unquoted)	0.12	2190.22
Government securities (unquoted)	-	25.00
Mutual funds and other funds (unquoted)	7.04	6.36
	170.70	2275.39
Less: Provision for diminution in value of investments	(1.52)	(0.12)
	169.18	2275.27
(i) Market value of quoted investments	3.91	-
(ii) Book value of quoted investments	-	-
(iii) Book value of unquoted investments	169.18	2275.27

\* Non-current investments having a value of less than ₹ 50,000.

**TATA CONSULTANCY SERVICES LIMITED**  
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**14) LONG-TERM LOANS AND ADVANCES**

Long-term loans and advances consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Secured, considered good		
Loans and advances to employees	0.15	0.22
(b) Unsecured, considered good		
(i) Capital advances	206.71	356.97
(ii) Security deposits	665.02	615.66
(iii) Loans and advances to employees	8.90	7.06
(iv) Loans and advances to related parties	3.13	128.13
(v) Advance tax (including refunds receivable) (net)	4092.34	3067.16
(vi) MAT credit entitlement	1899.76	1885.46
(vii) Other loans and advances	2278.91	1225.96
(c) Unsecured, considered doubtful		
Security deposits	0.31	0.31
Less : Provision for doubtful security deposits	(0.31)	(0.31)
	9154.92	7286.62
Loans and advances to related parties pertain to:		
Tata Sons Limited	2.74	2.74
Tata Realty and Infrastructure Limited	0.39	45.39
Tata Capital Financial Services Limited	-	80.00
Other loans and advances considered good include:		
Inter-corporate deposits	1572.00	858.00
Indirect tax recoverable	52.49	54.76
Prepaid expenses	534.25	217.66

**15) OTHER NON-CURRENT ASSETS**

Other non-current assets consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Interest receivable	24.37	34.55
(b) Long-term bank deposits	500.08	1477.25
(c) Earmarked balances with banks	0.41	25.06
(d) Other non-current assets	0.44	8.47
	525.30	1545.33

Other non-current assets include discount on bonds and debentures receivable on maturity of ₹ Nil (March 31, 2014: ₹ 8.47 crores).

**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**16) CURRENT INVESTMENTS**

Current investments consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Investment in mutual funds (unquoted)	1492.60	423.63
(b) Investment in bonds (quoted)	-	6.97
(c) Investment in debentures and bonds (unquoted)	-	727.87
	1492.60	1158.47
(i) Market value of quoted investments	-	7.58
(ii) Book value of quoted investments	-	6.97
(iii) Book value of unquoted investments	1492.60	1151.50

**17) INVENTORIES**

Inventories consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Raw materials, sub-assemblies and components	12.17	8.32
(b) Finished goods and Work-in-progress	2.16	4.90
(c) Stores and spares	1.74	1.99
	16.07	15.21

Inventories are carried at the lower of cost and net realisable value.

**18) UNBILLED REVENUE**

Unbilled revenue as at March 31, 2015, amounting to ₹ 3827.08 crores (March 31, 2014 : ₹ 4005.61 crores) primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

**19) TRADE RECEIVABLES (Unsecured)**

Trade receivables consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Over six months from the date they were due for payment		
(i) Considered good	1469.78	1460.46
(ii) Considered doubtful	422.94	298.20
(b) Others		
(i) Considered good	18968.16	16769.94
(ii) Considered doubtful	24.67	-
	20885.55	18528.60
Less: Provision for doubtful receivables	(447.61)	(298.20)
	20437.94	18230.40

**20) CASH AND BANK BALANCES**

Cash and bank balances consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	1443.19	880.91
In deposit accounts with original maturity less than 3 months	352.86	537.34
(ii) Cheques on hand	50.85	16.59
(iii) Cash on hand	1.43	2.55
(iv) Remittances in transit	13.56	30.47
	1861.89	1467.86
(b) Other bank balances		
(i) Earmarked balances with banks	312.67	25.59
(ii) Short-term bank deposits	16381.48	12948.39
	18556.04	14441.84

**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**21) SHORT-TERM LOANS AND ADVANCES**

Short-term loans and advances consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Secured, considered good		
Loans and advances to employees	0.16	1.50
(b) Unsecured, considered good		
(i) Loans and advances to employees	335.48	309.74
(ii) Loans and advances to related parties	0.01	305.06
(iii) Advance tax (including refunds receivable) (net)	74.93	33.83
(iv) MAT credit entitlement	5.25	10.50
(v) Other loans and advances	3730.62	3650.17
(c) Unsecured, considered doubtful		
(i) Loans and advances to employees	51.46	44.57
(ii) Other loans and advances	14.47	15.27
Less : Provision for doubtful loans and advances	(65.93)	(59.84)
	4146.45	4310.80
Loans and advances to related parties pertain to:		
Tata Realty And Infrastructure Limited	-	50.00
Tata AIG General Insurance Company Limited	0.01	0.02
Tata Housing Development Company Limited	-	55.00
Tata Capital Financial Services Limited	-	200.00
Infiniti Retail Limited	-	0.04
Other loans and advances considered good include:		
Fair values of foreign currency forward, option and future contracts	365.38	352.19
Security deposits	126.94	87.11
Inter-corporate deposits	1083.00	1567.00
Prepaid expenses	1512.13	1122.53
Indirect tax recoverable	308.76	371.36

**22) OTHER CURRENT ASSETS**

Other current assets consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Interest receivable	331.93	727.41
(b) Other current assets	4.89	7.95
	336.82	735.36

Other current assets include discount on bonds and debentures receivable on maturity of ₹ Nil (March 31, 2014: ₹ 5.16 crores).

**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**23) REVENUE FROM OPERATIONS**

Revenue from operations consist of revenues from:

	(₹ crores)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Information technology and consultancy services	92701.70	80139.84
(b) Sale of equipment and software licences	1946.71	1669.52
	<u>94648.41</u>	<u>81809.36</u>

**24) OTHER INCOME (NET)**

Other income (net) consist of the following:

	(₹ crores)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income	1596.61	1340.00
Dividend from current investments (mutual funds)	9.49	9.25
Profit on redemption/sale of investments (net)	233.10	173.09
Rent	18.45	17.62
Profit on sale of fixed assets (net)	2.54	4.55
Exchange gain (net)	1308.47	17.62
Miscellaneous income	61.25	74.61
	<u>3229.91</u>	<u>1636.74</u>

**Interest income includes :**

Interest on bank deposits	1198.85	728.13
Interest on inter-corporate deposits	272.07	337.70
Interest on long-term bonds and debentures	120.99	254.60
Other interest	4.70	19.57

**Profit on redemption/sale of investments (net):**

From other long-term investments (net)	24.78	0.36
From current investments (net)	208.32	172.73

**Exchange gain/ (loss) (net) includes:**

Exchange gain/ (loss) on foreign exchange forward and currency option contracts which have been designated as Cash Flow Hedges (Refer note 40)	344.60	(751.93)
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**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**25) EMPLOYEE BENEFIT EXPENSES**

Employee benefit expenses consist of the following:

	(₹ crores)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Salaries and incentives	34063.91	26148.72
(b) Contributions to-		
(i) Provident fund and pension fund*	606.47	564.35
(ii) Superannuation scheme*	222.44	191.74
(iii) Gratuity fund*	305.62	132.26
(iv) Social security and other plans for overseas employees	1519.76	1125.52
(c) Staff welfare expenses	1982.95	1697.42
	38701.15	29860.01

\*Refer note 32

**TATA CONSULTANCY SERVICES LIMITED**  
Notes forming part of the Consolidated Financial Statements

**26) OPERATION AND OTHER EXPENSES**

Operation and other expenses consist of the following:

	(₹ crores)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Overseas business expenses	13363.91	11636.42
(b) Services rendered by business associates and others	6220.25	4938.37
(c) Software, hardware and material costs	3835.83	3088.68
(d) Communication expenses	1056.06	874.04
(e) Travelling and conveyance expenses	1261.25	1046.75
(f) Rent	1569.46	1421.27
(g) Legal and professional fees	596.30	613.61
(h) Repairs and maintenance	705.00	499.11
(i) Electricity expenses	573.87	527.10
(j) Bad debts written-off/(recovered) (net)	12.46	(5.71)
(k) Advances written off/(recovered)(net)	0.25	(0.12)
(l) Provision for doubtful receivables (net)	141.33	90.96
(m) Provision for doubtful advances (net)	6.42	10.17
(n) Recruitment and training expenses	360.94	303.46
(o) Diminution in value of investments (net)	1.40	-
(p) Printing and stationery	97.76	93.33
(q) Insurance	70.41	61.13
(r) Rates and taxes	119.08	108.19
(s) Entertainment	71.93	60.20
(t) Other expenses	1401.64	1429.60
	<b>31465.55</b>	<b>26796.56</b>

(i) Overseas business expenses includes:

Travel expenses	1140.71	1007.88
Employee allowances	12223.20	10626.29

(ii) Repairs and maintenance includes:

Buildings	267.25	250.08
Office and computer equipment	427.95	243.42

**27) FINANCE COSTS**

Finance costs consist of the following:

	(₹ crores)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest expense	104.19	38.52
	<b>104.19</b>	<b>38.52</b>

**28)** Current tax for the year ended March 31, 2014 is adjusted for the effect of write back of provision (net) of ₹ 28.79 crores (March 31, 2014: additional provision (net) ₹ 394.53 crores) in domestic and certain overseas jurisdictions relating to earlier years, of which the impact on MAT entitlement of earlier period is ₹ 8.83 crores (March 31, 2014: ₹ 451.92 crores).

**TATA CONSULTANCY SERVICES LIMITED**

Notes forming part of the Consolidated Financial Statements

**29) (a) Particulars of subsidiaries:**

Name of the Company	Country of incorporation	Percentage of voting power as at March 31, 2015	Percentage of voting power as at March 31, 2014
<b>Subsidiaries (held directly)</b>			
APOne Limited	India	89.00	89.00
C-Edge Technologies Limited	India	51.00	51.00
CMC Limited	India	51.12	51.12
Diligenta Limited	UK	100.00	100.00
MP Online Limited	India	89.00	89.00
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00
Tata America International Corporation	USA	100.00	100.00
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00
Tata Consultancy Services Belgium S.A.	Belgium	100.00	100.00
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00
TCS FNS Pty Limited	Australia	100.00	100.00
TCS Iberoamerica SA	Uruguay	100.00	100.00
WTI Advanced Technology Limited (refer note 30(b))	India	-	100.00
Tata Consultancy Services Morocco SARL AU (Refer note 30 (c))	Morocco	-	100.00
Tata Consultancy Services (Africa) (PTY) Ltd. (Refer note 30 (d))	South Africa	100.00	60.00
MahaOnline Limited	India	74.00	74.00
Tata Consultancy Services Qatar S.S.C.	Qatar	100.00	100.00
Computational Research Laboratories Inc. (refer note 30(f))	USA	-	100.00
TCS e-Serve International Limited (w.e.f. 01.04.2013)	India	100.00	100.00
TCS Foundation (refer note 30 (g))	India	100.00	-
<b>Subsidiaries (held indirectly)</b>			
CMC Americas Inc.	USA	100.00	100.00
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00
Tata Consultancy Services (China) Co., Ltd	China	90.00	90.00
TCS Solution Center S.A.	Uruguay	100.00	100.00
Tata Consultancy Services Argentina S.A.	Argentina	99.99	99.99
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00
TCS Italia SRL	Italy	100.00	100.00
Tata Consultancy Services Japan, Ltd. (Refer note 30 (a))	Japan	51.00	100.00
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00
Tata Consultancy Services Portugal Unipessoal Limitada	Portugal	100.00	100.00
TCS Inversiones Chile Limitada	Chile	99.99	99.99
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00
TATASOLUTION CENTER S.A	Ecuador	100.00	100.00
TCS Financial Solutions Australia Holdings Pty Limited	Australia	100.00	100.00
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00
TCS Management Pty Ltd. (refer note 30 (h))	Australia	-	100.00
PT Financial Network Services	Indonesia	100.00	100.00
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00
Tata Consultancy Services France SAS	France	100.00	100.00
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	75.00	75.00
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00
TCS e-Serve America, Inc.	USA	100.00	100.00
TCS Uruguay S. A.	Uruguay	100.00	100.00
MGDC S.C.	Mexico	100.00	100.00
Diligenta 2 Limited	UK	100.00	100.00
MS CJV Investments Corporation	USA	100.00	100.00
CMC eBiz Inc.	USA	100.00	100.00

**TATA CONSULTANCY SERVICES LIMITED**  
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Name of the Company	Country of incorporation	Percentage of voting power as at March 31, 2015	Percentage of voting power as at March 31, 2014
Nippon TCS Solution Center Limited (Refer note 30 (a))	Japan	-	60.00
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00
Tata Consultancy Services Danmark ApS	Denmark	100.00	100.00
Alti S.A. (w.e.f. 28.06.2013)	France	100.00	100.00
Planaxis Technologies Inc.(w.e.f. 28.06.2013)	Canada	100.00	100.00
Alti HR S.A.S. (w.e.f. 28.06.2013)	France	100.00	100.00
Alti Infrastructures Systemes & Reseaux S.A.S. (w.e.f. 28.06.2013)	France	100.00	100.00
Alti NV (w.e.f. 28.06.2013)	Belgium	100.00	100.00
Tescom (France) Software Systems Testing S.A.R.L. (w.e.f. 28.06.2013)	France	100.00	100.00
Alti Switzerland S.A. (w.e.f. 28.06.2013)	Switzerland	100.00	100.00
Teamlink (w.e.f. 28.06.2013)	Belgium	100.00	100.00

(b) The contribution of the subsidiaries acquired and incorporated during the year is as under:

Name of Subsidiary	Revenue	Net profit/(loss)	Net Assets
Tata Consultancy Services Japan, Ltd.	1947.34	100.26	625.62
TCS Foundation	-	-	146.44

(₹ crores)

### 30) Acquisitions / Divestments

- a) On July 1, 2014, the Company through its wholly owned subsidiary Tata Consultancy Services Asia Pacific pte Ltd., acquired a controlling interest (51%) in IT Frontier Corporation (referred to as ITF) from Mitsubishi Corporation in Japan in exchange for a total purchase consideration of ₹ 347.54 crores (USD 57.9 million) consisting of a transfer of 49% ownership interest in Tata Consultancy Services Japan Ltd. to Mitsubishi Corporation and a cash consideration aggregating to ₹ 288.88 crores (USD 48.1 million).
- b) In March 2015, WTI Advanced Technology Limited, a wholly owned subsidiary, amalgamated with the Company in accordance with the terms of the composite scheme of amalgamation (Scheme) sanctioned by the High Court of Judicature at Bombay vide their Order dated March 27, 2015. The scheme of amalgamation is effective from April 1, 2014.
- c) On August 7, 2014, Tata Consultancy Services Morocco SARL AU, a wholly owned subsidiary, has been voluntarily liquidated.
- d) On September 16, 2014, the Company acquired additional 40% ownership interest in Tata Consultancy Services Africa (Pty) Ltd. for a purchase consideration of ₹ 60.83 crores (USD 10 million) from Tata Africa Holdings (SA) Proprietary Limited and thereby making it a wholly owned subsidiary of the Company.
- e) At their respective meetings held on October 16, 2014, the Boards of the Company and of its subsidiary, CMC Limited have approved a Scheme of Amalgamation of CMC Limited with the Company. The appointed date for the proposed Scheme is April 1, 2015. The Scheme is subject to sanction of the Hon'ble High Courts and all other statutory approvals as may be required under law.
- f) On February 18, 2015, Computational Research Laboratories Inc., a wholly owned subsidiary, has been voluntarily liquidated.
- g) On March 8, 2015 the Company subscribed to 100% Share Capital of TCS Foundation, a not for profit initiative registered under Section 8 of the Companies Act, 2013 with a paid-up capital of ₹ 1.00 crore. This company aims at promoting projects and/or programmes relating to Corporate Social Responsibility activities of TCS Limited.
- h) On March 23, 2015, TCS management Pty Ltd., a wholly owned subsidiary of TCS FNS Pty Limited, has been voluntarily liquidated.

**31)** a) The Company has given an undertaking to the investors of KOOH Sports Private Limited not to transfer its shareholding prior to the expiry of thirty-six months from the completion date of the investment agreement except with the prior written consent of the other parties to the agreement. The restriction is valid as at March 31, 2015.

b) The Company has given letter of comfort to various banks for credit facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Switzerland Ltd., (c) Tata Consultancy Services Sverige AB, (d) Tata Consultancy Services Belgium S.A., (e) Tata Consultancy Services Deutschland GmbH, (f) Tata Consultancy Services Netherlands B V (g) Tata Consultancy Services Asia Pacific Pte Ltd. (h) Tata Consultancy Services Qatar S.S.C (i) Tata Consultancy Services De Mexico S.A., de C.V. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiaries and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

**32) Employee retirement benefits**

**a) Defined contribution plans**

The Company and its subsidiaries make Provident Fund, Pension Fund, Foreign contribution Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company and its subsidiaries are required to contribute a specified percentage of the payroll costs to fund the benefits. In case of Provident Fund, the contributions as specified under the law are paid to the Provident Fund where set up as a trust and to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme in other cases in India and to the administrator of funds in case of foreign contribution plans. In respect of Provident fund contributions to trusts set up for this purpose, the Company and its subsidiaries are generally liable for annual contribution and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

As of March 31, 2015, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 8275.11 crores and ₹ 7721.21 crores respectively, in respect of provident fund managed by trusts. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.75%. The actuarial assumptions include discount rate of 8.00% and an average expected future period of 7.35 years.

The Group recognised ₹ 606.47 crores (March 31, 2014: ₹ 564.35 crores) for provident fund and pension fund contributions and ₹ 222.44 crores (March 31, 2014: ₹ 191.74 crores) for superannuation contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group has contributed ₹ 715.25 crores (March 31, 2014: ₹ 540.21 crores) towards other foreign defined contribution plans.

**b) Defined benefit plans**

The Company and its subsidiaries in India provide to the eligible employees defined benefit plans such as gratuity, post retirement medical benefit, post retirement vacation and pension plan. The Gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. Certain overseas subsidiaries of the Company also provide for retirement benefit plans in accordance with the local laws.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

The following table set out the funded and unfunded status of the retirement benefit plans and the amounts recognised in the financial statements:

**TATA CONSULTANCY SERVICES LIMITED**  
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Retirement benefits	(₹ crores)				
	Indian		Foreign		Consolidated
	Funded	Unfunded	Funded	Unfunded	
	As at March 31,2015	As at March 31,2015	As at March 31,2015	As at March 31,2015	As at March 31,2015
<b>i) Change in benefit obligations:</b>					
Projected benefit obligation, beginning of the year	<b>1017.55</b>	<b>1.24</b>	<b>429.19</b>	<b>33.85</b>	<b>1481.83</b>
	<i>880.58</i>	<i>2.17</i>	<i>338.95</i>	<i>16.02</i>	<i>1237.72</i>
Service cost	<b>165.85</b>	<b>0.33</b>	<b>17.15</b>	<b>12.88</b>	<b>196.21</b>
	<i>154.03</i>	<i>0.27</i>	<i>29.35</i>	<i>5.66</i>	<i>189.31</i>
Interest cost	<b>98.57</b>	<b>0.11</b>	<b>16.33</b>	<b>1.87</b>	<b>116.88</b>
	<i>70.87</i>	<i>0.16</i>	<i>13.33</i>	<i>1.11</i>	<i>85.47</i>
Acquisitions	-	-	<b>178.86</b>	-	<b>178.86</b>
	-	-	-	<i>8.44</i>	<i>8.44</i>
Actuarial loss/(gain)	<b>131.09</b>	<b>0.11</b>	<b>111.74</b>	<b>11.29</b>	<b>254.23</b>
	<i>(23.10)</i>	<i>(0.02)</i>	<i>19.41</i>	<i>1.83</i>	<i>(1.88)</i>
Plan participants' contributions	-	-	<b>6.67</b>	-	<b>6.67</b>
	-	-	<i>7.39</i>	-	<i>7.39</i>
Exchange (gain)/loss / Adjustments	-	-	<b>(62.84)</b>	<b>(4.45)</b>	<b>(67.29)</b>
	<i>1.31</i>	<i>(1.31)</i>	<i>68.56</i>	<i>1.55</i>	<i>70.11</i>
Past service cost / (credit)	<b>0.20</b>	-	-	<b>(1.36)</b>	<b>(1.16)</b>
	<i>3.92</i>	<i>0.03</i>	<i>(19.55)</i>	-	<i>(15.60)</i>
Benefits paid	<b>(118.06)</b>	<b>(0.08)</b>	<b>(10.90)</b>	<b>(1.03)</b>	<b>(130.07)</b>
	<i>(70.06)</i>	<i>(0.06)</i>	<i>(28.25)</i>	<i>(0.76)</i>	<i>(99.13)</i>
<b>Projected benefit obligation, end of the year</b>	<b>1295.20</b>	<b>1.71</b>	<b>686.20</b>	<b>53.05</b>	<b>2036.16</b>
	<i>1017.55</i>	<i>1.24</i>	<i>429.19</i>	<i>33.85</i>	<i>1481.83</i>

**TATA CONSULTANCY SERVICES LIMITED**  
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(₹ crores)

Retirement benefits	Indian		Foreign		Consolidated
	Funded	Unfunded	Funded	Unfunded	
	As at March 31,2015	As at March 31,2015	As at March 31,2015	As at March 31,2015	
<b>ii) Change in plan assets:</b>					
Fair value of plan assets, beginning of the year	<b>860.22</b>	-	<b>388.87</b>	-	<b>1249.09</b>
	623.58	-	312.58	-	936.16
Expected return on plan assets	<b>84.70</b>	-	<b>16.92</b>	-	<b>101.62</b>
	51.68	-	16.62	-	68.30
Plan participants' contributions	-	-	<b>6.67</b>	-	<b>6.67</b>
	-	-	7.39	-	7.39
Acquisition	-	-	<b>241.77</b>	-	<b>241.77</b>
	-	-	-	-	-
Employers' contributions	<b>620.34</b>	-	<b>25.00</b>	-	<b>645.34</b>
	232.80	-	25.96	-	258.76
Exchange (loss)/gain	-	-	<b>(63.52)</b>	-	<b>(63.52)</b>
	-	-	63.47	-	63.47
Benefits paid	<b>(118.06)</b>	-	<b>(10.90)</b>	-	<b>(128.96)</b>
	(70.06)	-	(28.25)	-	(98.31)
Actuarial gain/(loss)	<b>5.94</b>	-	<b>64.42</b>	-	<b>70.36</b>
	22.22	-	(8.90)	-	13.32
Fair value of plan assets, end of the year	<b>1453.14</b>	-	<b>669.23</b>	-	<b>2122.37</b>
	860.22	-	388.87	-	1249.09
Excess/(Deficit) of plan assets over obligation (net)	<b>157.94</b>	<b>(1.71)</b>	<b>(16.97)</b>	<b>(53.05)</b>	<b>86.21</b>
	(157.33)	(1.24)	(40.32)	(33.85)	(232.74)
Unrecognised asset due to assets ceiling	-	-	<b>(69.95)</b>	-	<b>(69.95)</b>
	-	-	-	-	-
Excess/(Deficit) of plan assets over obligation (net)	<b>157.94</b>	<b>(1.71)</b>	<b>(86.92)</b>	<b>(53.05)</b>	<b>16.26</b>
	(157.33)	(1.24)	(40.32)	(33.85)	(232.74)

(₹ crores)

Retirement benefits	Indian		Foreign		Consolidated
	Funded	Unfunded	Funded	Unfunded	
	for the year ended March 31,2015	for the year ended March 31,2015	for the year ended March 31,2015	for the year ended March 31,2015	
<b>iii) Net gratuity and other retirement benefit cost:</b>					
Service cost	<b>165.85</b>	<b>0.33</b>	<b>17.15</b>	<b>12.88</b>	<b>196.21</b>
	154.03	0.27	29.35	5.66	189.31
Interest on defined benefit obligation	<b>98.57</b>	<b>0.11</b>	<b>16.33</b>	<b>1.87</b>	<b>116.88</b>
	70.87	0.16	13.33	1.11	85.47
Expected return on plan assets	<b>(84.70)</b>	-	<b>(16.92)</b>	-	<b>(101.62)</b>
	(51.68)	-	(16.62)	-	(68.30)
Past service cost / (credit)	<b>0.20</b>	-	-	<b>(1.36)</b>	<b>(1.16)</b>
	3.92	0.03	(19.55)	-	(15.60)
Net actuarial loss /(gain) recognised during the year	<b>125.15</b>	<b>0.11</b>	<b>62.92</b>	<b>11.29</b>	<b>199.47</b>
	(45.32)	(0.02)	28.31	1.83	(15.20)
Net gratuity and other retirement benefit cost	<b>305.07</b>	<b>0.55</b>	<b>79.48</b>	<b>24.68</b>	<b>409.78</b>
	131.82	0.44	34.82	8.60	175.68
Actual return on plan assets	<b>90.64</b>	-	<b>81.34</b>	-	<b>171.98</b>
	73.90	-	7.72	-	81.62

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(₹ crores)			
Retirement benefits	Indian	Foreign	Consolidated
	As at March 31,2015	As at March 31,2015	As at March 31,2015
<b>iv) Category of assets:</b>			
Corporate bonds	<b>174.55</b>	<b>121.19</b>	<b>295.74</b>
	-	88.03	88.03
Equity shares	-	<b>134.08</b>	<b>134.08</b>
	-	49.97	49.97
Index linked bonds	-	<b>107.52</b>	<b>107.52</b>
	-	88.49	88.49
Insurer managed funds	<b>748.90</b>	<b>172.27</b>	<b>921.17</b>
	860.18	159.63	1019.81
Cash and bank balances	<b>217.33</b>	<b>5.89</b>	<b>223.22</b>
	-	2.75	2.75
Government Securities	<b>201.07</b>	<b>99.42</b>	<b>300.49</b>
	-	-	-
State Government Securities	<b>64.48</b>	-	<b>64.48</b>
	-	-	-
Others	<b>46.81</b>	<b>28.86</b>	<b>75.67</b>
	0.04	-	0.04
<b>Total</b>	<b>1453.14</b>	<b>669.23</b>	<b>2122.37</b>
	860.22	388.87	1249.09

	Indian	Foreign
<b>v) Assumptions used in accounting for the gratuity plan</b>		
Discount rate	<b>8.00%</b>	<b>0.87%-6.75%</b>
	9.00%	2.25% -7.60%
Salary escalation rate	<b>6.00%-7.00%</b>	<b>1.00%-4.64%</b>
	4.00% -7.00%	1.50 % - 4.64%
Expected rate of return on plan assets	<b>8.00%</b>	<b>0.87%-3.30%</b>
	9.00%	2.25% -4.50%

The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company and its subsidiaries policy for plan asset management.

(₹ crores)					
Particulars	Indian				
	2015	2014	2013	2012	2011
Experience adjustment					
On plan liability loss/(gain)	<b>31.50</b>	55.10	(17.78)	44.05	31.05
On plan asset gain	<b>5.94</b>	22.22	4.06	6.61	9.27
Present value of benefit obligation	<b>1296.91</b>	1,018.79	882.75	724.70	602.65
Fair value of plan assets	<b>1453.14</b>	860.22	623.58	569.23	518.91
Excess/(Deficit) of plan assets over obligation (net)	<b>156.23</b>	(158.57)	(259.17)	(155.47)	(83.74)

(₹ crores)					
Particulars	Foreign				
	2015	2014	2013	2012	2011
Experience adjustment					
On plan liability gain	<b>5.05</b>	(3.06)	(2.11)	(0.38)	(3.74)
On plan asset gain/(loss)	<b>64.42</b>	(8.90)	13.74	4.16	0.33
Present value of benefit obligation	<b>739.25</b>	463.04	354.97	273.68	222.22
Fair value of plan assets	<b>669.23</b>	388.87	312.58	269.29	213.65
Unrecognised asset due to assets ceiling	<b>(69.95)</b>	-	-	-	-
Excess of obligation over plan assets (net)	<b>(139.97)</b>	(74.17)	(42.39)	(4.39)	(8.57)



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The expected contributions are based on the same assumptions used to measure Group's gratuity obligations as at March 31, 2015. The Group is expected to contribute ₹ 39.84 crores to defined benefit plans for the year ended March 31, 2015, comprising domestic component of ₹ 16.57 crores and foreign component of ₹ 23.27 crores.

*Previous years' figures are in italics.*

### 33) Segment Reporting

The Group has identified business segments (industry practice) as its primary segment and geographic segments as its secondary segment.

Business segments are primarily financial services comprising of customers providing banking, finance and insurance services, manufacturing companies, companies in retail and consumer packaged goods industries, companies in telecommunication, media and entertainment and others such as energy, resources and utilities, Hi-Tech industry practice, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

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

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenue are allocated based on the location of the customer. Geographic segments of the Group are Americas (including Canada and South American countries), Europe, India and Others.

#### Year ended March 31, 2015

(₹ crores)

Particulars	Business segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Revenue	<b>38565.66</b>	<b>9242.45</b>	<b>12829.01</b>	<b>10933.55</b>	<b>23077.74</b>	<b>94648.41</b>
	<i>35112.41</i>	<i>6989.36</i>	<i>11309.06</i>	<i>9613.74</i>	<i>18784.79</i>	<i>81809.36</i>
Segment result	<b>10594.47</b>	<b>2223.00</b>	<b>3254.49</b>	<b>2770.78</b>	<b>5480.11</b>	<b>24322.85</b>
	<i>11522.77</i>	<i>2051.15</i>	<i>3673.75</i>	<i>2748.56</i>	<i>5028.96</i>	<i>25025.19</i>
Unallocable expenses (net)						<b>1744.02</b>
						<i>1260.07</i>
Operating income						<b>22578.83</b>
						<i>23765.12</i>
Other income (net)						<b>3229.91</b>
						<i>1636.74</i>
Profit before Exceptional item and tax						<b>25808.74</b>
						<i>25401.86</i>
Exceptional item						<b>489.75</b>
						-
Profit before tax						<b>26298.49</b>
						<i>25401.86</i>
Tax expense						<b>6238.79</b>
						<i>6069.99</i>
Profit before minority interest						<b>20059.70</b>
						<i>19331.87</i>
Minority interest						<b>207.52</b>
						<i>168.00</i>
Profit for the year						<b>19852.18</b>
						<i>19163.87</i>

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(₹ crores)						
<b>As at March 31, 2015</b>						
Particulars	Business segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Segment assets	<b>9649.76</b>	<b>2489.20</b>	<b>3298.98</b>	<b>3248.77</b>	<b>8949.38</b>	<b>27636.09</b>
	<i>9847.07</i>	<i>2162.04</i>	<i>3055.24</i>	<i>3148.15</i>	<i>8228.79</i>	<i>26441.29</i>
Unallocable assets						<b>46024.79</b>
						<i>40696.49</i>
Total assets						<b>73660.88</b>
						<i>67137.78</i>
Segment liabilities	<b>2592.41</b>	<b>340.86</b>	<b>531.48</b>	<b>551.56</b>	<b>1827.96</b>	<b>5844.27</b>
	<i>1503.43</i>	<i>167.61</i>	<i>130.78</i>	<i>171.51</i>	<i>1220.19</i>	<i>3193.52</i>
Unallocable liabilities						<b>16054.09</b>
						<i>14041.51</i>
Total liabilities						<b>21898.36</b>
						<i>17235.03</i>

(₹ crores)						
<b>Year ended March 31, 2015</b>						
Particulars	Business segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
<b>Other information :</b>						
Capital expenditure (allocable)	<b>73.56</b>	-	-	-	<b>63.00</b>	<b>136.56</b>
	<i>37.77</i>	-	-	-	<i>103.30</i>	<i>141.07</i>
Capital expenditure (unallocable)						-
						-
Depreciation (allocable)	<b>113.43</b>	-	-	-	<b>66.43</b>	<b>179.86</b>
	<i>100.91</i>	-	-	-	<i>26.69</i>	<i>127.60</i>
Depreciation (unallocable)						<b>1129.08</b>
						<i>1221.55</i>
Other significant non cash expenses (allocable)	<b>36.37</b>	<b>9.67</b>	<b>57.47</b>	<b>9.42</b>	<b>66.79</b>	<b>179.72</b>
	<i>18.26</i>	<i>4.70</i>	<i>(1.44)</i>	<i>27.20</i>	<i>46.58</i>	<i>95.30</i>
Other significant non cash expenses (net) (unallocable)						<b>(17.86)</b>
						-

The following geographic segments individually contribute 10 percent or more of the Group's revenues or segment assets:

(₹ crores)		
Geographic segments	Revenue for the year ended March 31, 2015	Segment assets as at March 31, 2015
Americas	<b>51053.46</b>	<b>12639.38</b>
	<i>45259.43</i>	<i>10774.01</i>
Europe	<b>26729.63</b>	<b>9022.42</b>
	<i>23432.70</i>	<i>9148.15</i>
India	<b>6107.55</b>	<b>5292.85</b>
	<i>5487.80</i>	<i>5045.06</i>

*Previous year's figures are in italics.*

**34) Obligation towards operating leases**

(₹ crores)		
	As at	As at
	March 31, 2015	March 31, 2014
Non-cancellable operating lease obligation	771.21	707.22
Not later than one year	2257.06	1817.41
Later than one year but not later than five years	1414.05	1107.12
Later than five years	4442.32	3631.75
<b>Total</b>	<b>4442.32</b>	<b>3631.75</b>

Rental expenses of ₹ 888.70 crores (March 31, 2014: ₹ 694.63 crores) in respect of obligation under non-cancellable operating leases and ₹ 680.76 crores (March 31, 2014: ₹ 726.64 crores) in respect of cancellable operating leases have been charged to the statement of profit and loss.

**35) Finance lease**

Group as lessee

(₹ crores)		
	As at	As at
	March 31, 2015	March 31, 2014
Obligations towards finance lease		
Assets acquired under finance lease		
i) Minimum lease payments:		
Not later than one year	70.03	57.56
Later than one year but not later than five years	109.59	124.00
Later than five years	44.35	55.80
Total	223.97	237.36
ii) Present value of minimum lease payments:		
Not later than one year	57.40	42.05
Later than one year but not later than five years	80.48	87.24
Later than five years	33.21	38.97
Total	171.09	168.26
Add: Future finance charges	52.88	69.10
Total	223.97	237.36

**36) Receivables under sub leases**

(₹ crores)		
	As at	As at
	March 31, 2015	March 31, 2014
Sub lease receivables	17.81	18.71
Not later than one year	36.44	53.44
Later than one year but not later than five years	-	-
Later than five years	54.25	72.15
<b>Total</b>	<b>54.25</b>	<b>72.15</b>

The total amount recognised in the statement of profit and loss for the year ended March 31, 2015 is ₹ 18.45 crores (March 31, 2014: ₹ 17.62 crores).

**37) Earnings per share [EPS]**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	(₹ crores)	
Profit for the year	19852.18	19163.87
Less: Dividend on preference shares (including dividend tax)	-	33.65
Amount available for equity shareholders	19852.18	19130.22
Weighted average number of equity shares	195,87,27,979	195,87,27,979
Earning per share basic and diluted (₹)	101.35	97.67
Face value per equity share (₹)	1.00	1.00

**38) Contingent liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
	(₹ crores)	
Claims against the Group not acknowledged as debt	191.75	167.64
Income tax demands (See (a) below)	3904.63	3898.43
Indirect tax demands (See (b) below)	170.31	132.31
Guarantees given by the Group (See (c) below)	-	477.75
Other contingencies	0.34	0.56

- a) In respect of income tax demands of ₹ 318.20 crores (March 31, 2014: ₹ 318.20 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited, which has been amalgamated with the Company w.e.f. April 1, 2013.
- b) In respect of indirect tax demands of ₹ 8.53 crores (March 31, 2014: ₹ 8.53 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited, which has been amalgamated with the Company w.e.f. April 1, 2013.
- c) The Group has provided guarantees aggregating ₹ Nil (GBP Nil) (March 31, 2014: 477.75 crores) (GBP 47.85 million) to third parties on behalf of its subsidiary Diligenta Limited. The Group does not expect any outflow of resources in respect of the above.
- d) The Group has examined the social security and tax aspects of contracts with legal entities which provide services to overseas subsidiaries and, based on legal opinion, concludes that the subsidiaries are in compliance with the related statutory requirements.

**39) Capital and other commitments**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1878.48 crores (March 31, 2014: ₹ 2862.86 crores).
- b) The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of balance ₹ 29618.47 per unit for 1000 units aggregating ₹ 2.96 crores (March 31, 2014: ₹ 3.64 crores).

**40) Derivative financial instruments**

The Company and its subsidiaries, in accordance with its risk management policies and procedures, enter into foreign currency forward, option and futures contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Group has following outstanding derivative instruments as at March 31, 2015:

- i) The following are outstanding foreign currency option contracts, which have been designated as Cash Flow Hedges, as at:

	March 31, 2015			March 31, 2014		
	No. of contracts	Notional amount of currency option contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of currency option contracts (million)	Fair value (₹ crores)
Foreign currency						
U.S. Dollar	-	-	-	4	410.00	21.36
Sterling Pound	18	297.00	67.05	6	177.00	18.23
Euro	9	171.00	87.78	3	120.00	19.87
Australian Dollar	6	97.00	31.15	3	75.00	2.71

There are no outstanding Foreign Exchange Forward contracts, which have been designated as cash flow hedges, as on March 31, 2015 and 2014.

The movement in Hedging Reserve during the year ended March 31, 2015, for derivatives designated as Cash Flow Hedges is as follows:

	Year ended March 31, 2015		Year ended March 31, 2014	
	Intrinsic value	Time value	Intrinsic Value	Time Value
Balance at the beginning of the year	24.88	4.76	46.11	-
Changes in the fair value of effective portion of cash flow hedges	905.89	(440.18)	(620.09)	(140.11)
(Gain)/loss transferred to statement of profit and loss on occurrence of forecasted hedge transactions	(779.35)	434.75	599.22	144.87
Amount transferred from minority interest during the year	-	-	(0.36)	-
Balance at the end of the year	151.42	(0.67)	24.88	4.76

Net gain on derivative instruments of ₹ 150.75 crores recognised in Hedging Reserve as of March 31, 2015, is expected to be reclassified to the statement of profit and loss by March 31, 2016.

In addition to the above Cash Flow Hedges, the Group has outstanding foreign currency forward, option and futures contracts with notional amount aggregating ₹ 19949.03 crores (March 31, 2014: ₹ 15883.01 crores) whose fair value showed a gain of ₹ 159.65 crores as at March 31, 2015 (March 31, 2014 : gain of ₹ 267.07 crores).

Exchange gain of ₹ 1360.57crores (March 31, 2014 : exchange loss of ₹ 60.54 crores) on foreign currency forward, option and futures contracts for the year ended March 31, 2015, have been recognised in the statement of profit and loss.

- 41)** Research and development expenditure aggregating ₹ 225.07 crores (March 31, 2014: ₹ 198.91 crores), including capital expenditure, was incurred during the year.
- 42)** Trade payables include payable to micro, small and medium enterprises ₹ 12.35 crores (March 31, 2014: ₹ 11.28 crores).
- 43)** The Group has revised its policy of providing depreciation on fixed assets effective April 1, 2014. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis for some assets and straight line basis for others. Further the remaining useful life has also been revised wherever appropriate based on an evaluation. The carrying amount as on April 1, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the year ended March 31, 2015 is higher by ₹ 155.70 crores and the effect relating to the period prior to April 1, 2014 is net credit of ₹ 489.75 crores (excluding deferred tax of ₹ 118.90 crores) which has been shown as an 'Exceptional Item' in the statement of profit and loss.

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- 44) During the year, an amount of ₹ 2627.91 crores has been recognized in the statement of profit or loss in respect of one-time bonus to eligible employees.
- 45) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.
- 46) Previous year's figures have been recast / restated to conform to the classification of the current year.