

**IFRS**  
ANNUAL REPORT  
2014 | 15

Financial Statements prepared in accordance with  
International Financial Reporting Standards -  
**Fiscal 2015**





**TATA CONSULTANCY SERVICES LIMITED**  
**REPORT FOR THE YEAR ENDED MARCH 31, 2015**

**Contents**

Board of Directors	1
Management Team	2
Management Discussion and Analysis	3
Independent Auditors' Report	17
Consolidated Statements of Financial Position as of March 31, 2015 and 2014	18
Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended March 31, 2015, 2014 and 2013	19
Consolidated Statements of Changes in Equity for the years ended March 31, 2013, 2014 and 2015	20
Consolidated Statements of Cash Flows for the years ended March 31, 2015, 2014 and 2013	21
Notes to the Consolidated Financial Statements	23

THIS PAGE IS INTENTIONALLY LEFT BLANK

## Board of Directors

Cyrus Mistry (*Chairman*)

N Chandrasekaran (*CEO and Managing Director*)

Aman Mehta

V Thyagarajan

Prof. Clayton M Christensen

Dr. Ron Sommer

Dr. Vijay Kelkar

Ishaat Hussain

O. P. Bhatt

Phiroz Vandrevala

Aarthi Subramanian (Executive Director)

## Company Secretary

Suprakash Mukhopadhyay

## Statutory Auditors

Deloitte Haskins & Sells LLP

## IFRS Auditors

Deloitte Haskins & Sells LLP

## Registered Office

9<sup>th</sup> Floor, Nirmal Building

Nariman Point, Mumbai 400 021

Tel : 91 22 6778 9595

Fax : 91 22 6778 9660

Website : [www.tcs.com](http://www.tcs.com)

CIN : L22210MH1995PLC084781

## Corporate Office

TCS House

Raveline Street, Fort

Mumbai 400 001

Tel : 91 22 6778 9999

Fax : 91 22 6778 9000

E-mail: [investor.relations@tcs.com](mailto:investor.relations@tcs.com)

## Registrars & Transfer Agents

TSR DARASHAW Limited

6-10, Haji Moosa Patrawala Industrial Estate

20, Dr. E. Moses Road, Mahalaxmi

Mumbai 400 011

Tel : 91 22 6656 8484

Fax : 91 22 6656 8494

E-mail: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

## Management Team

Function	Name
<b>Corporate</b>	
Chief Executive Officer and Managing Director	N Chandrasekaran
Executive Director	Aarthi Subramanian
Finance	Rajesh Gopinathan
Human Resources	Ajoyendra Mukherjee
Company Secretary and Treasury	Suprakash Mukhopadhyay
Marketing	John Lenzen
Communication	Pradipta Bagchi
Research & Development	K Ananth Krishnan
Legal	Vishwanathan Iyer
<b>Geography Heads</b>	
North America, United Kingdom and Europe	Surya Kant Shankar Narayanan Amit Bajaj Akhilesh Tripathi Sapthagiri Chapalapalli Heinz Gehri Amit Kapur K.Kumaranarayanan Henry Manzano Ravi Viswanathan Ujjwal Mathur Varun Kapur Girish Ramachandran AS Lakshminarayanan
Latin America	
India, Asia Pacific, Middle-East and Africa	
Japan	
<b>Industry Service Units</b>	
Banking and Financial Services	K Krithivasan Ramanamurthy Magapu Susheel Vasudevan Suresh Muthuswami P Syama Sundar Debashis Ghosh Jayanta Banerjee Milind Lakkad N Sivasamban V Rajanna Kamal Bhadada Nagaraj Ijari Raman Venkatraman Sudheer Warriar Pratik Pal Sudhakar Gudala S Sukanya Tanmoy Chakrabarty
Insurance and Healthcare	
Life Sciences, Energy Resources and Manufacturing	
Telecom, Media, Hi-Tech and Utilities	
Retail & CPG and Travel & Hospitality	
<b>Government</b>	
<b>Strategic Growth Units</b>	
TCS Financial Services	NG Subramaniam
iON	Venguswamy Ramaswamy
Platforms	Raj Agrawal
<b>Service Units</b>	
Global Consulting Practice and Enterprise Solutions	Krishnan Ramanujam
Engineering & Industrial Services	Regu Ayyaswamy
Infrastructure Services	P R Krishnan
BPO	Dinanath Kholkar
Assurance Services	Siva Ganesan
Digital Solutions	Satya Ramaswamy

## Management Discussion and Analysis

The following management discussion and analysis (MD&A) should be read together with the audited consolidated financial statements of Tata Consultancy Services Limited and its subsidiaries (collectively referred to as TCS Limited, TCS or the Company) for the years ended March 31, 2015, 2014 and 2013.

The Company's financial year ends on March 31. All references to a particular financial year are to the twelve-month period ended March 31 of that year.

### Highlights

Revenue aggregated \$15,454.4 million in fiscal 2015 (\$13,442.2 million in fiscal 2014) representing a growth of 14.97% over fiscal 2014.

Operating profit, excluding impact of one-time employee reward aggregated \$4,150.6 million in fiscal 2015 (\$3,905.9 million in fiscal 2014) representing a growth of 6.26% over fiscal 2014. Operating profit as reported aggregated \$3,727.4 million.

Profit for the year excluding impact of one-time employee reward aggregated \$3,576.5 million in fiscal 2015 (\$3,173.9 million in fiscal 2014) registering a growth of 12.68% over fiscal 2014. Profit for the year as reported aggregated \$3,245.7 million.

The employee strength was 319,656 as at March 31, 2015 (300,464 as of March 31, 2014) representing a growth of 6.39%.

Gross addition of employees in fiscal 2015 aggregated 67,123 of which 15,596 associates were added in overseas locations.

The Company's earnings per share (EPS) excluding impact of one-time employee reward increased to \$1.81 in fiscal 2015 from \$1.60 in fiscal 2014. EPS as reported was \$1.64.

For the first three quarters of fiscal 2015, the Company paid a total interim dividend of \$0.91 per equity share, including special dividend of \$0.67 per equity share. On April 16, 2015, the board of directors recommended, for approval of shareholders, a final dividend of \$0.38 per equity share. The cash outflow on account of final dividend inclusive of corporate dividend tax would amount to approximately \$903.8 million.

### Overview

TCS is an information technology services, consulting and business solutions company. The Company provides end-to-end technology and technology related services to corporations all over the world. The Company has deep domain knowledge across industry sectors and technology expertise across traditional and new age technologies. TCS' domain knowledge and technology expertise combined with its global delivery capability offers unique advantage to its customers.

The Company has built strong global customer base, global talent and global infrastructure. With a sharp focus on customer's business future, the Company is offering a range of technology and technology related services through its innovation labs, delivery centers and talented professionals.

Over last few years, the Company has made significant investments in expanding its operations in new markets and has launched new services based on digital platforms. The Company's customers consider the Company as a thought leader and innovation partner. Customers' trust in the Company is driving strong financial results and elevated positioning on the global platform. TCS continues to remain India's most valuable company and it's also among world's most valuable IT services companies.

The management discussion and analysis are based on the consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB).

**Significant accounting policies**

Note 3 to the consolidated financial statements gives the summary of significant accounting policies used for the preparation and presentation of the consolidated financial statements.

The functional currency of Tata Consultancy Services Limited and its Indian subsidiaries is the Indian rupee, whereas the functional currency of foreign subsidiaries are the currencies in their respective countries of incorporation. The accompanying consolidated financial statements are presented in US dollars (\$).

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and assumptions that affect (a) the reported amounts of assets and liabilities, (b) disclosures of contingent liabilities at the date of these consolidated financial statements and (c) the reported amounts of revenue and expenses for the years 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. Areas in which significant judgments and estimates are used include, but are not limited to (a) estimated costs for completion of fixed price contracts, (b) impairment assessment of goodwill and other intangible assets, (c) retirement benefits, (d) useful lives of tangible and intangible assets, (e) allowances for uncollectable accounts receivables and (f) income tax. Actual results could differ from these estimates.

The Company has reviewed and revised the useful lives and the depreciation method of property, plant and equipment. Accordingly, the Company has recognised an additional depreciation expense of \$34.9 million for the year ended March 31, 2015. The additional depreciation includes \$29.2 million relating to property, plant and equipment with 'nil' remaining useful life as of April 1, 2014 and does not affect future periods.



## Overview of financial results

In fiscal 2015, there was a special, one-time reward to eligible employees, which increased the employee expenses by \$423.2 million. The growth in operating parameters in the following discussions have been analysed with respect to performance prior to the impact of one-time employee reward.

(In millions of USD)

	Fiscal 2015 - as reported	% of total revenue	Fiscal 2015 - excluding one-time employee reward	% of total revenue	% growth	Fiscal 2014	% of total revenue	% growth	Fiscal 2013	% of total revenue
<b>Revenue:</b>										
Information technology and consultancy services	15,137.5	97.95	15,137.5	97.95	14.97	13,167.0	97.95	17.10	11,243.8	97.19
Sale of equipment and software licences	316.9	2.05	316.9	2.05	15.15	275.2	2.05	(15.22)	324.6	2.81
<b>Total revenue</b>	<b>15,454.4</b>	<b>100.00</b>	<b>15,454.4</b>	<b>100.00</b>	<b>14.97</b>	<b>13,442.2</b>	<b>100.00</b>	<b>16.20</b>	<b>11,568.4</b>	<b>100.00</b>
<b>Cost of revenue:</b>										
Cost of information technology and consultancy services	8,591.6	55.59	8,274.2	53.54	21.02	6,836.8	50.86	14.93	5,948.6	51.42
Cost of equipment and software licences	302.7	1.97	302.7	1.97	24.77	242.6	1.81	(13.51)	280.5	2.42
<b>Total cost of revenue</b>	<b>8,894.3</b>	<b>57.56</b>	<b>8,576.9</b>	<b>55.51</b>	<b>21.15</b>	<b>7,079.4</b>	<b>52.67</b>	<b>13.65</b>	<b>6,229.1</b>	<b>53.85</b>
<b>Gross profit</b>	<b>6,560.1</b>	<b>42.44</b>	<b>6,877.5</b>	<b>44.49</b>	<b>8.09</b>	<b>6,362.8</b>	<b>47.33</b>	<b>19.17</b>	<b>5,339.3</b>	<b>46.15</b>
<b>Operating expenses:</b>										
Selling, general and administrative expenses	2,832.7	18.33	2,726.9	17.64	10.99	2,456.9	18.28	10.89	2,215.7	19.15
<b>Operating profit</b>	<b>3,727.4</b>	<b>24.11</b>	<b>4,150.6</b>	<b>26.85</b>	<b>6.26</b>	<b>3,905.9</b>	<b>29.06</b>	<b>25.04</b>	<b>3,123.6</b>	<b>27.00</b>
<b>Other income:</b>										
Finance and other income	268.4	1.74	268.4	1.74	18.13	227.2	1.69	15.39	196.9	1.70
Finance costs	(18.6)	(0.12)	(18.6)	(0.12)	57.63	(11.8)	(0.09)	(9.23)	(13.0)	(0.11)
Other gains, (net)	262.6	1.70	262.6	1.70	439.22	48.7	0.36	229.05	14.8	0.13
<b>Other income, (net)</b>	<b>512.4</b>	<b>3.32</b>	<b>512.4</b>	<b>3.32</b>	<b>94.02</b>	<b>264.1</b>	<b>1.96</b>	<b>32.91</b>	<b>198.7</b>	<b>1.72</b>
<b>Profit before taxes</b>	<b>4,239.8</b>	<b>27.43</b>	<b>4,663.0</b>	<b>30.17</b>	<b>11.82</b>	<b>4,170.0</b>	<b>31.02</b>	<b>25.52</b>	<b>3,322.3</b>	<b>28.72</b>
Income tax expense	994.1	6.43	1,086.5	7.03	9.08	996.1	7.41	34.48	740.7	6.40
<b>Profit for the year</b>	<b>3,245.7</b>	<b>21.00</b>	<b>3,576.5</b>	<b>23.14</b>	<b>12.68</b>	<b>3,173.9</b>	<b>23.61</b>	<b>22.94</b>	<b>2,581.6</b>	<b>22.32</b>

## Revenue composition

(In millions of USD)

	Fiscal 2015	% of total revenue	Fiscal 2014	% of total revenue	Fiscal 2013	% of total revenue
Information technology and consultancy services	15,137.5	97.95	13,167.0	97.95	11,243.8	97.19
% growth	14.97	-	17.10	-	-	-
Sale of equipment and software licences	316.9	2.05	275.2	2.05	324.6	2.81
% growth	15.15	-	(15.22)	-	-	-
<b>Total revenue</b>	<b>15,454.4</b>	<b>100.00</b>	<b>13,442.2</b>	<b>100.00</b>	<b>11,568.4</b>	<b>100.00</b>
<b>% growth</b>	<b>14.97</b>	<b>-</b>	<b>16.20</b>	<b>-</b>	<b>-</b>	<b>-</b>

In fiscal 2015, total revenue aggregated \$15,454.4 million (\$13,442.2 million in fiscal 2014). Revenue from information technology and consultancy services at \$15,137.5 million in fiscal 2015 (\$13,167.0 million in fiscal 2014) constituted 97.95% of total revenue (97.95% in fiscal 2014). The growth in total revenue in fiscal 2015 was 14.97%.

## Revenue by currency

The Company earns its revenue in multiple currencies. The table below shows the currency wise revenue earned in the last three years.

	% of total revenue in fiscal 2015	% of total revenue in fiscal 2014	% of total revenue in fiscal 2013
USD	55.39	57.14	58.46
GBP	14.90	15.32	14.84
EUR	8.51	8.63	6.71
AUD	3.68	3.54	4.14
CAD	2.71	2.81	2.54
INR	5.88	6.17	7.35
Others	8.93	6.39	5.96
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

The Company earned 94.12% of its revenue in fiscal 2015 in non-INR currencies (93.83% in fiscal 2014).

## Revenue by industry segment

(In millions of USD)

	Fiscal 2015	% of revenue	% growth	Fiscal 2014	% of revenue	% growth	Fiscal 2013	% of revenue
Banking, financial services and insurance (BFSI)	6,298.1	40.75	9.16	5,769.4	42.92	15.72	4,985.7	43.10
Telecom, media and entertainment	1,786.1	11.56	13.07	1,579.7	11.75	14.10	1,384.5	11.97
Retail and consumer packaged goods	2,095.0	13.56	12.71	1,858.8	13.83	20.47	1,542.9	13.34
Manufacturing	1,507.7	9.76	31.30	1,148.3	8.54	19.88	957.9	8.28
Others	3,767.5	24.37	22.08	3,086.0	22.96	14.41	2,697.4	23.31
<b>Total</b>	<b>15,454.4</b>	<b>100.00</b>	<b>14.97</b>	<b>13,442.2</b>	<b>100.00</b>	<b>16.20</b>	<b>11,568.4</b>	<b>100.00</b>

In fiscal 2015, BFSI continued to contribute the largest share to revenue (40.75%) – a growth of 9.16%. Manufacturing grew at an impressive rate of 31.30%. Telecom including media and entertainment grew at 13.07% and retail & consumer packaged goods registered a growth of 12.71%. Verticals included under 'Others' showed good growth of 22.08%. High growth rates were registered by hi-tech (23.49%), life sciences & healthcare (27.02%), energy, resources & utilities (24.38%) and travel, transportation & hospitality (18.01%).

## Revenue by geography

(In millions of USD)

	Fiscal 2015	% of total revenue	% growth	Fiscal 2014	% of total revenue	% growth	Fiscal 2013	% of total revenue
North America	8,014.5	51.86	12.38	7,131.4	53.05	14.70	6,217.6	53.75
UK	2,578.9	16.69	10.17	2,340.8	17.41	18.46	1,976.1	17.08
Europe	1,787.8	11.57	18.77	1,505.3	11.20	35.43	1,111.5	9.61
India	997.0	6.45	10.31	903.8	6.72	0.59	898.5	7.77
Asia Pacific	1,440.9	9.32	48.50	970.3	7.22	12.42	863.1	7.46
Latin America	321.3	2.08	4.25	308.2	2.29	20.48	255.8	2.21
Middle East and Africa	314.0	2.03	11.19	282.4	2.11	14.89	245.8	2.12
<b>Total</b>	<b>15,454.4</b>	<b>100.00</b>	<b>14.97</b>	<b>13,442.2</b>	<b>100.00</b>	<b>16.20</b>	<b>11,568.4</b>	<b>100.00</b>

Asia Pacific recorded highest growth primarily due to TCS' sustained investment in market development and increasing customer acceptance of global delivery model. The growth was also aided by acquisition of a controlling interest (51%) in IT Frontier Corporation (referred to as ITF) from Mitsubishi Corporation. Growth in Europe and Asia Pacific were more than the Company average while those for North America, United Kingdom, Middle East & Africa and India were around the Company average.

## Revenue by service practice

(In millions of USD)

	Fiscal 2015	% of total revenue	% growth	Fiscal 2014	% of total revenue	% growth	Fiscal 2013	% of total revenue
<b>Technology services:</b>								
Application development and maintenance (ADM)	6,215.0	40.21	11.16	5,591.1	41.59	12.92	4,951.4	42.80
Enterprise solutions	2,406.7	15.57	15.65	2,081.1	15.48	18.32	1,758.8	15.20
Assurance services	1,314.7	8.51	16.65	1,127.0	8.38	26.36	891.9	7.71
Business process services (BPS)	1,804.7	11.68	11.67	1,616.1	12.02	12.07	1,442.1	12.47
IT infrastructure services (IT IS)	2,136.4	13.82	33.18	1,604.2	11.93	20.81	1,327.9	11.48
Engineering and industrial services (EIS)	698.0	4.52	10.36	632.5	4.71	18.58	533.4	4.61
Consulting	513.9	3.33	13.85	451.4	3.36	28.75	350.6	3.03
Products & services	365.0	2.36	7.73	338.8	2.53	8.49	312.3	2.70
<b>Total</b>	<b>15,454.4</b>	<b>100.00</b>	<b>14.97</b>	<b>13,442.2</b>	<b>100.00</b>	<b>16.20</b>	<b>11,568.4</b>	<b>100.00</b>

IT IS registered the highest growth (33.18%) well above the Company average. Enterprise solutions and assurance services recorded higher growth than the Company average.

ADM continues to be the major contributor although its relative weight to the total revenue has come down over the past years in line with our strategy of focusing on new services. Consequently, contribution from other services to total revenue has increased.

**Revenue by service location**

Revenue mix (% of revenue)	Fiscal 2015	Fiscal 2014
India delivery center	46.20	47.92
Global delivery center	5.61	5.43
Remote delivery	51.81	53.35
Local delivery	48.19	46.65
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Revenue from local delivery is for those services which are performed at client locations. Revenue from global delivery center (GDC) relate to services which are performed at TCS' delivery centers in various countries across the globe. Revenue from India delivery center relates to services performed at the delivery centers located in India. Revenue from local, global and India delivery centers are aligned with customer requirements. The composition of service location mix of revenue in the current fiscal is not substantially different from last fiscal.

**Revenue by nature of contract**

Nature of contract	Fiscal 2015 (%)	Fiscal 2014 (%)
Time and material basis	47.98	48.04
Fixed price basis	52.02	51.96
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The mix of revenue from time & material contracts and fixed price, fixed time contracts has remained steady.

**Cost of revenue (COR)**

Cost of revenue (COR) includes expenses directly attributable for the execution of projects such as compensation of employees, travel expenses, employee allowances, fees to external consultants, depreciation & amortisation of production related equipment, software, facility expenses and communication costs.

For the purpose of this MD&A, employee related costs and cost of external consultants taken to fill gaps of skill-set required for execution of projects have been combined under 'manpower cost'.

(In millions of USD)

	Fiscal 2015 - as reported	% of total revenue	Fiscal 2015 - excluding one-time employee reward	% of total revenue	Fiscal 2014	% of total revenue	Fiscal 2013	% of total revenue
Employee cost	6,243.2	40.39	5,925.8	38.34	4,984.0	37.08	4,377.3	37.84
Fees to external consultants	998.3	6.46	998.3	6.46	820.4	6.10	637.8	5.51
<b>Manpower cost</b>	<b>7,241.5</b>	<b>46.85</b>	<b>6,924.1</b>	<b>44.80</b>	<b>5,804.4</b>	<b>43.18</b>	<b>5,015.1</b>	<b>43.35</b>
Cost of equipment and software licences	302.7	1.97	302.7	1.97	242.6	1.81	280.5	2.42
Others	1,350.1	8.74	1,350.1	8.74	1,032.4	7.68	933.5	8.08
<b>Total</b>	<b>8,894.3</b>	<b>57.56</b>	<b>8,576.9</b>	<b>55.51</b>	<b>7,079.4</b>	<b>52.67</b>	<b>6,229.1</b>	<b>53.85</b>

COR, excluding impact of one-time bonus, has increased from 52.67% of total revenue in fiscal 2014 to 55.51% of total revenue in fiscal 2015, primarily on account of significant increase in local hires.

Employee cost increased by 1.26% as a percentage of revenue in fiscal 2015. The Company had to use the services of external consultants to supplement requirement of specialised technical and domain skills to meet client requirements. Fees for external consultants included in COR increased by 0.36% as percentage of revenue in fiscal 2015. In relation to revenue, cost of equipment and software licences increased marginally by 0.16%.

COR as reported aggregated \$8,894.3 million representing 57.56% of revenue.

Details of 'others' included in COR are depicted in the table given below:

(In millions of USD)

	<b>Fiscal 2015 - as reported</b>	<b>% of total revenue</b>	Fiscal 2014	% of total revenue	Fiscal 2013	% of total revenue
Facility expenses	<b>353.5</b>	<b>2.29</b>	271.6	2.02	246.6	2.13
Travel	<b>238.2</b>	<b>1.54</b>	175.0	1.30	162.9	1.41
Depreciation & amortisation	<b>208.0</b>	<b>1.35</b>	141.0	1.05	122.9	1.06
Communication	<b>122.6</b>	<b>0.79</b>	97.7	0.73	98.0	0.85
Others	<b>427.8</b>	<b>2.77</b>	347.0	2.58	303.1	2.63
<b>Total</b>	<b>1,350.1</b>	<b>8.74</b>	1,032.3	7.68	933.5	8.08

### Selling, general and administrative (SG&A) expenses

The Company's SG&A expenses primarily comprise compensation for employees in sales, administration and other functions not directly engaged in the IT services delivery process. SG&A also includes depreciation and amortisation of intangibles and software for internal use, facility expenses, business promotion expenses, allowances for uncollectible receivables, travel expenses, legal and professional fees, marketing expenses and other general expenses not directly attributable to execution of projects.

For the purpose of this MD&A, employee related costs and cost of external consultants have been combined under 'manpower cost'.

(In millions of USD)

	<b>Fiscal 2015 - as reported</b>	<b>% of total revenue</b>	<b>Fiscal 2015 - excluding one-time employee reward</b>	<b>% of total revenue</b>	Fiscal 2014	% of total revenue	Fiscal 2013	% of total revenue
Employee cost	<b>2,035.6</b>	<b>13.17</b>	<b>1,929.8</b>	<b>12.48</b>	1,676.8	12.47	1,475.9	12.76
Fees to external consultants	<b>86.2</b>	<b>0.56</b>	<b>86.2</b>	<b>0.56</b>	62.9	0.47	58.0	0.50
<b>Manpower cost</b>	<b>2,121.8</b>	<b>13.73</b>	<b>2,016.0</b>	<b>13.04</b>	1,739.7	12.94	1,533.9	13.26
Others	<b>710.9</b>	<b>4.60</b>	<b>710.9</b>	<b>4.60</b>	717.2	5.34	681.8	5.89
<b>Total</b>	<b>2,832.7</b>	<b>18.33</b>	<b>2,726.9</b>	<b>17.64</b>	2,456.9	18.28	2,215.7	19.15

SG&A as a percentage of revenue, excluding impact of one-time employee reward, decreased by 0.63%, from 18.28% in fiscal 2014 to 17.64% in fiscal 2015 primarily on account of decrease in non-manpower cost.

SG&A as reported aggregated \$2,832.7 million representing 18.33% of revenue.

Details of 'other' expenses included in SG&A are shown in the table below:

(In millions of USD)

	<b>Fiscal 2015 - as reported</b>	<b>% of total revenue</b>	Fiscal 2014	% of total revenue	Fiscal 2013	% of total revenue
Facility expenses	<b>166.2</b>	<b>1.08</b>	185.0	1.38	179.9	1.56
Travel	<b>154.4</b>	<b>1.00</b>	160.6	1.20	135.0	1.17
Depreciation & amortisation	<b>97.9</b>	<b>0.63</b>	76.7	0.57	75.4	0.65
Education, recruitment and training	<b>37.6</b>	<b>0.24</b>	48.7	0.36	44.7	0.39
Communication	<b>49.8</b>	<b>0.32</b>	46.3	0.34	42.8	0.37
Bad debts	<b>29.0</b>	<b>0.19</b>	15.6	0.12	10.3	0.09
Other expenses	<b>176.0</b>	<b>1.14</b>	184.3	1.37	193.7	1.66
<b>Total</b>	<b>710.9</b>	<b>4.60</b>	717.2	5.34	681.8	5.89

### Operating profit

Operating profit, excluding impact of one-time employee reward, has grown by 6.26% in fiscal 2015. As a percentage of revenue it decreased by 2.21%, mainly due to increase in COR expenses by 2.84% and offset by decrease in SG&A expenses by 0.64% respectively.

### Other income / (expense)

Other income / (expense) includes interest and dividend income, foreign currency exchange gains and losses, profit / loss on sale of investments, income from rent, miscellaneous income and interest expense on bank overdraft and debt.

(In millions of USD)

	<b>Fiscal 2015 - as reported</b>	<b>% of total revenue</b>	Fiscal 2014	% of total revenue	Fiscal 2013	% of total revenue
Interest income	<b>263.8</b>	<b>1.71</b>	222.7	1.66	192.8	1.66
Interest expense	<b>18.6</b>	<b>0.12</b>	11.8	0.09	13.0	0.11
<b>Net interest income</b>	<b>245.2</b>	<b>1.59</b>	210.9	1.57	179.8	1.55
Net foreign exchange gains	<b>212.6</b>	<b>1.38</b>	6.6	0.05	2.5	0.02
Dividend received	<b>1.6</b>	<b>0.01</b>	1.5	0.01	1.2	0.01
Rental income	<b>3.0</b>	<b>0.02</b>	3.0	0.02	2.9	0.03
Others, net	<b>50.0</b>	<b>0.32</b>	42.1	0.31	12.3	0.11
<b>Total</b>	<b>512.4</b>	<b>3.32</b>	264.1	1.96	198.7	1.72

Other income / (expense) increased by 1.36% of revenue in fiscal 2015, mainly due to increase in foreign exchange gains.

### Income tax

Income tax expense comprises current and deferred tax expense.

Tax expense before accounting of one-time employee reward increased to \$1,086.5 million in fiscal 2015 from \$996.1 million in fiscal 2014. As a percentage of revenue, it has reduced from 7.41% in fiscal 2014 to 7.03% in fiscal 2015.

In fiscal 2015, tax expense as reported was \$994.1 million (6.43% of revenue).

## Profit for the year

The Company's profit for the year prior to adjustment of one-time employee reward has gone up by 12.68% in fiscal 2015. As percentage of revenue, profit for the year has decreased by 0.47% in fiscal 2015, mainly due to decrease in operating profit by 2.21%, offset by increase in other income by 1.36% and decrease in tax expense by 0.38%.

In fiscal 2015, the profit for the year as reported after impact of one-time employee reward was \$3,245.7 million (21.00% of revenue).

## Segment performance

Operating segments are components of the Company for which discrete financial information are made available for evaluation of performance in order to meet targets and long term goals.

TCS has identified business segments i.e. the industry to which the customer belongs as reportable segments. Business segments are primarily financial services comprising banking, finance and insurance services, retail and consumer packaged goods industries, telecom, media and entertainment, manufacturing and others such as energy, resources and utilities, hi-tech, life science and healthcare and travel, transportation & hospitality, etc.

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 and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

## Segment summary

(In millions of USD)

	Segment revenue					
	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2015	Fiscal 2014	Fiscal 2013
	\$ million			% of total revenue		
Banking, financial services and insurance	6,298.1	5,769.4	4,985.7	40.75	42.92	43.10
Telecom, media and entertainment	1,786.1	1,579.7	1,384.5	11.56	11.75	11.97
Retail and consumer packaged goods	2,095.0	1,858.8	1,542.9	13.56	13.83	13.34
Manufacturing	1,507.7	1,148.3	957.9	9.76	8.54	8.28
Others	3,767.5	3,086.0	2,697.4	24.37	22.96	23.31
<b>Total</b>	<b>15,454.4</b>	<b>13,442.2</b>	<b>11,568.4</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## Banking, financial services and insurance (BFSI)

The status of BFSI industry and details of recent significant developments have been given in the MD&A for Indian GAAP.

In fiscal 2015, BFSI revenue contributed 40.75% of Company's total revenue (42.92% in fiscal 2014). The muted growth of 9.16% (15.72% in fiscal 2014) is primarily attributable to weakness in insurance portfolio, particularly in Diligenta, a subsidiary focused on life insurance policy administration in the UK. The segment result, excluding one-time employee reward constituted 43.27% of total segment result (46.16% in fiscal 2014) with a margin of 30.44% in fiscal 2015 (32.86% in fiscal 2014).

## Telecom, media & entertainment

The status of telecom, media and entertainment industry and details of recent significant developments have been given in the MD&A for Indian GAAP.

In fiscal 2015, telecom, media and entertainment segment revenue contributed 11.56% of the Company's total revenue (11.75% in fiscal 2014). The segment result excluding one-time employee reward, constituted 11.56% of total segment result (10.94% in fiscal 2014) with a margin of 28.68% in fiscal 2015 (28.45% in fiscal 2014).



**Retail and consumer packaged goods (CPG)**

The status of retail & CPG industry and details of recent significant developments have been given in the MD&A for Indian GAAP.

In fiscal 2015, retail & CPG segment revenue contributed 13.56% of the Company's total revenue (13.83% in fiscal 2014). The segment result excluding one-time employee reward, constituted 13.48% of total segment result (14.64% in fiscal 2014) with a margin of 28.51% in fiscal 2015 (32.34% in fiscal 2014).

**Manufacturing**

The status of manufacturing industry and details of recent significant developments have been given in the MD&A for Indian GAAP.

In fiscal 2015, manufacturing segment revenue contributed 9.76% of the Company's total revenue (8.54% in fiscal 2014). The segment result excluding one-time employee reward, constituted 8.98% of total segment result (8.19% in fiscal 2014) with a margin of 26.38% in fiscal 2015 (29.30% in fiscal 2014).

**Others**

Segments combined in 'others' include:

- Life sciences and healthcare
- Energy, resources and utilities
- Travel, transportation and hospitality
- Hi-tech

Despite a sharp slowdown in the energy sub-segment towards the end of the fiscal year, resulting from the depressed oil prices, all the segments grouped in 'others' showed good revenue growth over fiscal 2014.

In fiscal 2015, the segments in aggregate showed better growth (22.08%) than the Company average (14.97%). The share of these segments in aggregate revenue improved to 24.37% in fiscal 2015 from 22.96% in fiscal 2014. The margin remained steady at 26.72% in fiscal 2015 as compared to 26.71% in fiscal 2014.

Life sciences and healthcare registered the highest growth amongst these segments in revenue at 27.02%, margin 30.36% followed by energy, resources and utilities (growth of revenue 24.38%, margin 28.23%), hi-tech (revenue growth 23.49%, margin 29.33%) and travel, transportation and hospitality (growth of revenue 18.01%, margin 31.51%).

The growth in segment results and segment margins have been analysed excluding the impact of one-time employee reward.

**Financial position overview**

As at March 31, 2015, the Company's balance sheet and liquidity position remains strong and it is well positioned to support its strategies and growth plans. Cash, cash equivalents and bank deposits was \$2,995.5 million as at March 31, 2015 (\$2,650.7 million as at March 31, 2014), an increase of \$344.8 million from the prior year-end position. The Company's robust cash flows from operations ensure funding of most of its cash requirements from internally generated funds.

As at March 31, 2015, the Company's trade receivables stood at \$3,266.3 million (\$3,035.2 million as at March 31, 2014). Additions to property, plant and equipment in fiscal 2015 were \$600.7 million (\$372.4 million in fiscal 2014). Capital work in progress aggregated \$468.5 million as at March 31, 2015 (\$587.7 million as at March 31, 2014).

The total equity increased to \$9,331.0 million in fiscal 2015 from \$9,327.7 million in fiscal 2014.

During fiscal 2015, the Company generated \$3,462.3 million in cash from operations after tax payments (\$2,613.0 million in fiscal 2014).



## Liquidity and capital resources

The Company has consistently generated strong cash flow from operations. The Company ensures additional liquidity for the conduct of its business operations by ensuring adequate credit facilities for all its units. As at March 31, 2015, the Company had available lines of credit with multiple banks aggregating \$920.3 million interchangeable between fund-based and non fund-based limits (\$888.1 million as at March 31, 2014).

## Working capital

As at March 31, 2015, the Company had \$5,470.0 million in working capital (\$5,308.7 million as at March 31, 2014).

## Analysis of working capital

(In millions of USD)

	As at March 31, 2015	As at March 31, 2014	Increase/ (decrease)
Current assets	7,814.5	7,152.6	661.9
Current liabilities	2,344.5	1,843.9	500.6
Working capital	5,470.0	5,308.7	161.3
Current ratio	3.33	3.88	(0.55)
Capital employed (total equity + non-current liabilities)	9,654.7	9,629.3	25.4
Working capital as a percentage of capital employed	56.66	55.13	1.53
Total assets	11,999.2	11,473.2	526.0
Working capital as a percentage of total assets	45.59	46.27	(0.68)

The increase in working capital as a percentage of capital employed is commensurate with business needs.

Details of major components of current assets and current liabilities are analysed below.

## Overview of cash, bank and investments

(In millions of USD)

	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	Increase/ (decrease)
	Current		Non-current		Total		
Investments	239.9	193.7	40.5	382.7	280.4	576.4	(296.0)
Cash and bank balances	241.2	155.0	-	-	241.2	155.0	86.2
Deposits with banks	2,674.4	2,249.8	79.9	245.9	2,754.3	2,495.7	258.6
Inter-corporate deposits	184.4	317.9	251.2	163.9	435.6	481.8	(46.2)
<b>Total</b>	<b>3,339.9</b>	<b>2,916.4</b>	<b>371.6</b>	<b>792.5</b>	<b>3,711.5</b>	<b>3,708.9</b>	<b>2.6</b>

The Company continues its practice of investing in fixed deposits with banks while optimising yield from such investments. The decrease in investments is primarily on account of redemption of corporate debentures and bonds.

## Trade receivables and unbilled revenue

(In millions of USD)

	As at March 31, 2015	% of total revenue	As at March 31, 2014	% of total revenue	% growth
Trade receivables	3,266.3	21.14	3,035.2	22.58	7.61
Unbilled revenue	611.6	3.96	666.9	4.96	(8.29)
<b>Total</b>	<b>3,877.9</b>	<b>25.09</b>	<b>3,702.1</b>	<b>27.54</b>	<b>4.75</b>

Trade receivables and unbilled revenue as a percentage of revenue have decreased by 1.44% and 1.00% respectively. The Company monitors trade receivables closely.

### Trade payables

Trade payables have increased from \$921.8 million in fiscal 2014 to \$1,411.3 million in fiscal 2015. As a percentage of revenue, trade payables have increased from 6.86% in fiscal 2014 to 9.13% in fiscal 2015. The increase is primarily attributable to the one-time employee reward of \$423.2 million constituting 2.74% of revenues.

### Non – current assets

#### Property, plant and equipment (PPE)

(In millions of USD)

	Asset addition fiscal 2015	Asset addition fiscal 2014	Increase/ (decrease)	PPE as at March 31, 2015	PPE as at March 31, 2014	Increase/ (decrease)
Freehold land	-	0.1	(0.1)	55.5	57.7	(2.2)
Buildings	213.4	101.1	112.3	635.2	484.2	151.0
Leasehold improvements	71.3	45.1	26.2	139.4	109.6	29.8
Computer equipment	169.3	112.3	57.0	244.8	211.4	33.4
Furniture, fixtures, office equipments and other assets	146.7	113.8	32.9	305.8	275.0	30.8
<b>Total</b>	<b>600.7</b>	<b>372.4</b>	<b>228.3</b>	<b>1,380.7</b>	<b>1,137.9</b>	<b>242.8</b>
Capital work-in-progress				468.5	587.7	(119.2)
<b>Total PPE</b>				<b>1,849.2</b>	<b>1,725.6</b>	<b>123.6</b>

The Company has been investing in infrastructure development across various locations in India to meet its growing business needs. In fiscal 2015, TCS has invested in state-of-the-art facilities at Mumbai, Ahmedabad, Chennai, Kochi, Hyderabad, Bhubaneswar, Kolkata, Nagpur, Trivandrum and Pune.

### Goodwill

(In millions of USD)

	As at March 31, 2015	As at March 31, 2014
Opening balance	662.6	619.1
Additional amount recognised from business combination during the year	0.9	80.4
Foreign currency exchange loss	(70.4)	(36.9)
<b>Closing balance</b>	<b>593.1</b>	<b>662.6</b>

The additional goodwill recognised during fiscal 2015 pertains to acquisition of controlling interest through its subsidiary Tata Consultancy Services Asia Pacific Pte Ltd. in ITF from Mitsubishi Corporation on July 1, 2014. The excess of purchase consideration over net assets and the identified intangible asset has been recognised as goodwill.

The Company carries out impairment test of goodwill on annual basis.

Detailed note on goodwill is available in note 13 of the notes to consolidated financial statements.

### Borrowings

(In millions of USD)

	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	Increase/ (decrease)
	Current		Non-current		Total		
Borrowings	38.9	28.2	18.3	21.2	57.2	49.4	7.8
<b>Total</b>	<b>38.9</b>	<b>28.2</b>	<b>18.3</b>	<b>21.2</b>	<b>57.2</b>	<b>49.4</b>	<b>7.8</b>

Current borrowings were primarily on account of bank overdrafts required for management of working capital. Non-current borrowings were primarily on account of finance lease obligations.

## Shareholders' equity

(In millions of USD)

	As at March 31, 2015	As at March 31, 2014	Increase/ (decrease)
Share capital	43.6	43.6	-
Share premium	427.5	427.5	-
Retained earnings	10,669.7	10,289.1	380.6
Accumulated other comprehensive losses	(1,955.9)	(1,547.5)	(408.4)
<b>Equity attributable to shareholders of TCS Limited</b>	<b>9,184.9</b>	<b>9,212.7</b>	<b>(27.8)</b>
Non-controlling interests	146.1	115.0	31.1
<b>Total</b>	<b>9,331.0</b>	<b>9,327.7</b>	<b>3.3</b>

There is no significant change in total equity. The increase in retained earnings is offset by increase in accumulated other comprehensive losses.

## Summary of cash flows

(In millions of USD)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Cash and cash equivalents at the beginning of the year	244.5	339.3	391.4
Net cash provided by operating activities	3,462.3	2,613.0	2,265.3
Net cash used in investing activities	(556.2)	(1,770.4)	(1,244.1)
Net cash used in financing activities	(2,835.1)	(930.7)	(1,014.3)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>71.0</b>	<b>(88.1)</b>	<b>6.9</b>
Effect of foreign exchange on cash and cash equivalents	(17.9)	(6.7)	(59.0)
<b>Cash and cash equivalents at the end of the year</b>	<b>297.6</b>	<b>244.5</b>	<b>339.3</b>

## Cash flows from operating activities

(In millions of USD)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Profit for the year	3,245.7	3,173.9	2,581.6
Adjustments:			
Depreciation and amortisation	305.8	217.7	198.2
Others	988.8	970.2	742.5
<b>Adjusted operating income before working capital changes</b>	<b>4,540.3</b>	<b>4,361.8</b>	<b>3,522.3</b>
Effect of working capital changes	150.3	(590.4)	(371.1)
<b>Cash generated from operations</b>	<b>4,690.6</b>	<b>3,771.4</b>	<b>3,151.2</b>
Taxes paid	(1,228.3)	(1,158.4)	(885.9)
<b>Net cash provided by operating activities</b>	<b>3,462.3</b>	<b>2,613.0</b>	<b>2,265.3</b>

The increase in cash generated from operations to \$4,690.6 million in fiscal 2015 from \$3,771.4 million in fiscal 2014 was primarily attributable to an increase in profit for the year and the effect of working capital changes. Net cash provided by operating activities post tax, increased to \$3,462.3 million in fiscal 2015 (\$2,613.0 million in fiscal 2014).

### Cash flows from investing activities

(In millions of USD)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Net (purchase) / sale of investments	<b>330.7</b>	(202.6)	(69.4)
Net purchase of property, plant and equipment	<b>(479.1)</b>	(506.0)	(474.8)
Purchase of subsidiaries and business, net of cash acquired (including additional consideration and purchase price adjustments)	<b>(43.9)</b>	(75.2)	(29.2)
Net (investment) / redemption of inter-corporate deposits	<b>29.9</b>	135.1	(508.7)
Net investment in bank deposits	<b>(393.5)</b>	(1,120.5)	(159.3)
Purchase of intangible assets	<b>(0.3)</b>	(1.2)	(2.7)
<b>Net cash used in investing activities</b>	<b>(556.2)</b>	(1,770.4)	(1,244.1)

Decrease in cash outflows on account of investing activities was primarily attributable to proceeds from bank deposits and sale of investments.

### Cash flows from financing activities

(In millions of USD)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Dividend paid including dividend tax	<b>(2,818.1)</b>	(906.6)	(1,020.4)
Others	<b>(17.0)</b>	(24.1)	6.1
<b>Net cash used in financing activities</b>	<b>(2,835.1)</b>	(930.7)	(1,014.3)

In fiscal 2015, dividend paid includes the final dividend and tax thereon for fiscal 2014 approved by the shareholders at the last annual general meeting. In addition, the dividend paid includes the interim dividend of fiscal 2015 and a special dividend.

'Others' in fiscal 2015 include payment for purchase of non-controlling interest.

### Risks

TCS enterprise risk management programme (ERM) involves risk identification, assessment and risk mitigation planning for strategic, operational and compliance related risks across business units, functions and geographies. TCS has a robust digitised ERM framework which has been deployed across the enterprise. The Company level as well as unit level deployment of the ERM process is governed by the corporate risk office. The risk reports prepared by the chief risk officer are reviewed by the board of directors periodically.

In order to ensure that the policies and procedures adopted by the Company for conducting its business orderly and efficiently, TCS has aligned its internal financial control systems on lines of globally accepted risk based framework as issued by the committee of sponsoring organisations of the treadway commission (COSO) internal control - integrated framework (2013). The internal financial control system as designed in the COSO framework, has been followed by TCSL, such controls are adequate for the Company and have been operating effectively.

Significant risks faced by the Company have been discussed in the management discussion and analysis for Indian GAAP.

### Cautionary statement

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc., whether express or implied. Several factors could make significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. over which the Company does not have any direct control.

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of  
Tata Consultancy Services Limited  
Mumbai, India

We have audited the accompanying consolidated financial statements of Tata Consultancy Services Limited and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of March 31, 2015 and 2014, and the related statements of changes in equity for the years ended March 31, 2015, 2014 and 2013 and the consolidated statements of profit or loss and other comprehensive income and cash flows for each of three years in the period ended March 31, 2015, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tata Consultancy Services Limited and its subsidiaries as of March 31, 2015 and 2014, and the results of their operations and their cash flows for each of three years in the period ended March 31, 2015, in accordance with the International Financial Reporting Standards as issued by International Accounting Standards Board.

Ms/ Deloitte Haskins & Sells LLP  
CHARTERED ACCOUNTANTS

Mumbai, India  
Date: June 25, 2015

## Consolidated Statements of Financial Position

### As of March 31, 2015 and 2014

	Note	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>			
<b>ASSETS:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	6	297.6	244.5
Bank deposits		2,618.0	2,160.3
Trade receivables	7	3,266.3	3,035.2
Investments	8(a)	239.9	193.7
Unbilled revenue		611.6	666.9
Other current financial assets	9(a)	433.7	570.6
Current income tax assets		12.0	5.6
Other current assets	10(a)	335.4	275.8
<b>Total current assets</b>		<b>7,814.5</b>	<b>7,152.6</b>
<b>Non-current assets:</b>			
Bank deposits		79.9	245.9
Investments	8(b)	40.5	382.7
Other non-current financial assets	9(b)	370.1	290.9
Non-current income tax assets		654.1	510.9
Deferred income tax assets (net)	17	417.9	383.9
Property, plant and equipment	11	1,849.2	1,725.6
Intangible assets	12	35.0	29.5
Goodwill	13	593.1	662.6
Other non-current assets	10(b)	144.9	88.6
<b>Total non-current assets</b>		<b>4,184.7</b>	<b>4,320.6</b>
<b>TOTAL ASSETS</b>		<b>11,999.2</b>	<b>11,473.2</b>
<b>LIABILITIES AND EQUITY:</b>			
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Trade and other payables	14	1,411.3	921.8
Borrowings		38.9	28.2
Other current financial liabilities	15(a)	189.8	210.8
Unearned and deferred revenue		169.8	174.9
Employee benefit obligations		216.7	174.3
Other provisions		16.5	6.3
Current income tax liabilities		87.2	111.6
Other current liabilities	16(a)	214.3	216.0
<b>Total current liabilities</b>		<b>2,344.5</b>	<b>1,843.9</b>
<b>Non-current liabilities:</b>			
Borrowings		18.3	21.2
Other non-current financial liabilities	15(b)	105.8	72.9
Employee benefit obligations		32.5	45.8
Other provisions		15.1	18.4
Deferred income tax liabilities (net)	17	87.5	92.5
Other non-current liabilities	16(b)	64.5	50.8
<b>Total non-current liabilities</b>		<b>323.7</b>	<b>301.6</b>
<b>TOTAL LIABILITIES</b>		<b>2,668.2</b>	<b>2,145.5</b>
<b>Equity:</b>			
Share capital	18	43.6	43.6
Share premium		427.5	427.5
Retained earnings		10,669.7	10,289.1
Accumulated other comprehensive losses		(1,955.9)	(1,547.5)
<b>Equity attributable to shareholders of TCS Limited</b>		<b>9,184.9</b>	<b>9,212.7</b>
Non-controlling interests		146.1	115.0
<b>TOTAL EQUITY</b>		<b>9,331.0</b>	<b>9,327.7</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>11,999.2</b>	<b>11,473.2</b>

See accompanying notes to consolidated financial statements

## Consolidated Statements of Profit or Loss and Other Comprehensive Income For the years ended March 31, 2015, 2014 and 2013

	Note	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD, except shares and per share data)</b>				
<b>Revenue:</b>				
Information technology and consultancy services		15,137.5	13,167.0	11,243.8
Sale of equipment and software licences		316.9	275.2	324.6
<b>Total revenue</b>		<b>15,454.4</b>	<b>13,442.2</b>	<b>11,568.4</b>
<b>Cost of revenue:</b>				
Cost of information technology and consultancy services	21	8,591.6	6,836.8	5,948.6
Cost of equipment and software licences	21	302.7	242.6	280.5
<b>Total cost of revenue</b>		<b>8,894.3</b>	<b>7,079.4</b>	<b>6,229.1</b>
<b>Gross profit</b>		<b>6,560.1</b>	<b>6,362.8</b>	<b>5,339.3</b>
<b>Operating expenses:</b>				
Selling, general and administrative expenses	21	2,832.7	2,456.9	2,215.7
<b>Operating profit</b>		<b>3,727.4</b>	<b>3,905.9</b>	<b>3,123.6</b>
<b>Other income:</b>				
Finance and other income	22	268.4	227.2	196.9
Finance costs	23	(18.6)	(11.8)	(13.0)
Other gains, (net)	24	262.6	48.7	14.8
<b>Other income (net)</b>		<b>512.4</b>	<b>264.1</b>	<b>198.7</b>
<b>Profit before taxes</b>		<b>4,239.8</b>	<b>4,170.0</b>	<b>3,322.3</b>
Income tax expense	17	994.1	996.1	740.7
<b>Profit for the year</b>		<b>3,245.7</b>	<b>3,173.9</b>	<b>2,581.6</b>
<b>Other comprehensive (losses) / income, net of taxes:</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation of foreign operations		(436.9)	(591.4)	(393.8)
Net change in fair value of intrinsic value of cash flow hedges		17.3	(5.4)	27.2
Net change in fair value of time value of cash flow hedges		(0.8)	(3.0)	6.6
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Net gains / (losses) on financial assets carried at fair value		0.4	(0.5)	(0.2)
Remeasurement of defined employee benefit plans		(25.8)	3.1	(7.5)
<b>Total other comprehensive losses, net of taxes</b>		<b>(445.8)</b>	<b>(597.2)</b>	<b>(367.7)</b>
<b>Total comprehensive income for the year, net of taxes</b>		<b>2,799.9</b>	<b>2,576.7</b>	<b>2,213.9</b>
<b>Profit for the year attributable to:</b>				
Shareholders of TCS Limited		3,212.3	3,138.9	2,554.2
Non-controlling interests		33.4	35.0	27.4
		<b>3,245.7</b>	<b>3,173.9</b>	<b>2,581.6</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of TCS Limited		2,778.3	2,553.8	2,192.2
Non-controlling interests		21.6	22.9	21.7
		<b>2,799.9</b>	<b>2,576.7</b>	<b>2,213.9</b>
<b>Weighted average number of shares used in computing basic and diluted earnings per share</b>		<b>1,958,727,979</b>	<b>1,958,100,069</b>	<b>1,957,220,996</b>
<b>Basic and diluted earnings per share in USD</b>		<b>1.64</b>	<b>1.60</b>	<b>1.31</b>

See accompanying notes to consolidated financial statements

## Consolidated Statements of Changes in Equity

### For the years ended March 31, 2013, 2014 and 2015

(In millions of USD, except share data)										
Number of shares	Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Cash flow hedging reserve	Investment revaluation reserve	Equity attributable to shareholders of TCS Limited	Non-controlling interests	Total equity	
1,957,220,996	43.6	427.4	6,515.1	(570.7)	(27.3)	-	0.6	6,388.7	103.5	6,492.2
-	-	-	7.6	-	-	(7.6)	-	-	-	-
1,957,220,996	43.6	427.4	6,522.7	(570.7)	(27.3)	(7.6)	0.6	6,388.7	103.5	6,492.2
-	-	-	2,554.2	-	-	-	-	2,554.2	27.4	2,581.6
-	-	-	(7.6)	(387.5)	26.6	6.6	(0.1)	(362.0)	(5.7)	(367.7)
-	-	-	2,546.6	(387.5)	26.6	6.6	(0.1)	2,192.2	21.7	2,213.9
-	-	-	(1,015.9)	-	-	-	-	(1,015.9)	(4.5)	(1,020.4)
-	-	-	(28.1)	-	-	-	-	(28.1)	-	(28.1)
1,957,220,996	43.6	427.4	8,025.3	(958.2)	(0.7)	(1.0)	0.5	7,536.9	120.7	7,657.6
1,957,220,996	43.6	427.4	8,025.3	(958.2)	(0.7)	(1.0)	0.5	7,536.9	120.7	7,657.6
-	-	-	3,138.9	-	-	-	-	3,138.9	35.0	3,173.9
-	-	-	3.0	(579.3)	(5.4)	(3.0)	(0.4)	(585.1)	(12.1)	(597.2)
-	-	-	3,141.9	(579.3)	(5.4)	(3.0)	(0.4)	2,553.8	22.9	2,576.7
-	-	-	(900.1)	-	-	-	-	(900.1)	(6.5)	(906.6)
-	-	0.1	(0.1)	-	-	-	-	-	-	-
1,506,983	-	-	22.1	-	-	-	-	22.1	(22.1)	-
1,958,727,979	43.6	427.5	10,289.1	(1,537.5)	(6.1)	(4.0)	0.1	9,212.7	115.0	9,327.7
1,958,727,979	43.6	427.5	10,289.1	(1,537.5)	(6.1)	(4.0)	0.1	9,212.7	115.0	9,327.7
-	-	-	3,212.3	-	-	-	-	3,212.3	33.4	3,245.7
-	-	-	(25.6)	(425.3)	17.3	(0.8)	0.4	(434.0)	(11.8)	(445.8)
-	-	-	3,186.7	(425.3)	17.3	(0.8)	0.4	2,778.3	21.6	2,799.9
-	-	-	(2,811.4)	-	-	-	-	(2,811.4)	(6.7)	(2,818.1)
-	-	-	8.7	-	-	-	-	8.7	59.3	68.0
-	-	-	3.3	-	-	-	-	3.3	-	3.3
-	-	-	(6.7)	-	-	-	-	(6.7)	(6.1)	(12.8)
-	-	-	-	-	-	-	-	-	(37.0)	(37.0)
1,958,727,979	43.6	427.5	10,669.7	(1,962.8)	11.2	(4.8)	0.5	9,184.9	146.1	9,331.0

See accompanying notes to consolidated financial statements

#### Balance as of April 1, 2012 (as previously reported)

Adjustments on change in accounting policy

#### Restated balance as of April 1, 2012

Profit for the year

Other comprehensive income

#### Total comprehensive income

Dividend (including tax on dividend of \$141.0 million)

Excess of consideration transferred over net assets received from entity under common control

#### Balance as of March 31, 2013

#### Balance as of April 1, 2013

Profit for the year

Other comprehensive income

#### Total comprehensive income

Dividend (including tax on dividend of \$93.3 million)

Adjustment of equity of merged entity

Issue of shares and adjustment to non-controlling interest on merger

#### Balance as of March 31, 2014

#### Balance as of April 1, 2014

Profit for the year

Other comprehensive income

#### Total comprehensive income

Dividend (including tax on dividend of \$381.0 million)

Excess of fair value over carrying cost of subsidiary transferred to non-controlling interests

Net assets received under common control

Purchase of non-controlling interests

Obligation to acquire non-controlling interests

(Refer note 5)

#### Balance as of March 31, 2015



**Consolidated Statements of Cash Flows**  
**For the years ended March 31, 2015, 2014 and 2013**

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD)</b>			
<b>Cash flows from operating activities:</b>			
Profit for the year	3,245.7	3,173.9	2,581.6
<b>Adjustments to reconcile profit or loss to net cash provided by operating activities:</b>			
Depreciation and amortisation	305.8	217.7	198.2
Gain on disposal of property, plant and equipment	(0.4)	(0.8)	-
Income tax expense	994.1	996.1	740.7
Gain on disposal of investments	(37.9)	(28.3)	(7.8)
Interest accrued on investments	(1.4)	(5.2)	(3.8)
Provision for diminution in value of investments	0.2	-	-
Non-cash interest on put-call option liability	1.5	-	-
Bad debts, provision for trade receivables and advances (net)	29.0	15.6	10.3
Unrealised loss / (gain)	3.7	(7.2)	3.1
<b>Operating profit before working capital changes</b>	<b>4,540.3</b>	<b>4,361.8</b>	<b>3,522.3</b>
<b>Net change in:</b>			
Trade receivables	(475.2)	(525.0)	(441.5)
Unbilled revenue	(2.0)	(106.7)	(155.3)
Other financial assets	28.8	(80.5)	(39.5)
Other assets	(126.4)	(0.9)	(85.5)
Trade and other payables	586.5	68.2	181.4
Unearned and deferred revenue	23.3	(1.8)	24.3
Other financial liabilities	12.4	(7.3)	42.5
Other liabilities	102.9	63.6	102.5
<b>Cash generated from operations</b>	<b>4,690.6</b>	<b>3,771.4</b>	<b>3,151.2</b>
Taxes paid	(1,228.3)	(1,158.4)	(885.9)
<b>Net cash provided by operating activities</b>	<b>3,462.3</b>	<b>2,613.0</b>	<b>2,265.3</b>

**Consolidated Statements of Cash Flows**  
**For the years ended March 31, 2015, 2014 and 2013**

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD)</b>			
<b>Cash flows from investing activities:</b>			
Bank deposits placed	(2,488.8)	(2,093.1)	(873.1)
Inter-corporate deposits placed	(291.1)	(438.8)	(665.2)
Purchase of investments	(10,912.1)	(13,556.3)	(5,207.4)
Purchase of property, plant and equipment	(480.3)	(508.3)	(476.3)
Purchase of intangible assets	(0.3)	(1.2)	(2.7)
Purchase of subsidiaries and business, net of cash of \$4.2 million, \$8.9 million and \$0.2 million respectively (including additional consideration and purchase price adjustment)	(43.9)	(75.2)	(29.2)
Restricted cash placed with banks	(31.5)	-	-
Proceeds from bank deposits	2,122.8	972.6	713.8
Proceeds from inter-corporate deposits	321.0	573.9	156.5
Proceeds from disposal of investments	11,242.8	13,353.7	5,138.0
Proceeds from disposal of property, plant and equipment	1.2	2.3	1.5
Proceeds from restricted cash	4.0	-	-
<b>Net cash used in investing activities</b>	<b>(556.2)</b>	<b>(1,770.4)</b>	<b>(1,244.1)</b>
<b>Cash flows from financing activities:</b>			
Short-term borrowings (net)	6.5	1.4	14.0
Proceeds from issue of long-term borrowings	-	-	0.4
Repayment of long-term borrowings	(0.1)	(0.2)	(0.6)
Proceeds from other borrowings	-	19.5	-
Dividend paid to non-controlling interests	(6.7)	(6.5)	(4.5)
Dividend paid including dividend tax	(2,811.4)	(900.1)	(1,015.9)
Purchase of non-controlling interests	(12.3)	-	-
Repayment of inter-corporate deposits	-	-	(4.2)
Repayment of other borrowings	-	(23.2)	-
Repayment of finance lease obligations	(11.1)	(5.0)	(3.5)
Redemption of preference shares	-	(16.6)	-
<b>Net cash used in financing activities</b>	<b>(2,835.1)</b>	<b>(930.7)</b>	<b>(1,014.3)</b>
Net change in cash and cash equivalents	71.0	(88.1)	6.9
Effect of foreign exchange on cash and cash equivalents	(17.9)	(6.7)	(59.0)
Cash and cash equivalents, beginning of the year	244.5	339.3	391.4
<b>Cash and cash equivalents, end of the year</b>	<b>297.6</b>	<b>244.5</b>	<b>339.3</b>
<b>Supplementary cash flow information:</b>			
Interest paid	22.7	9.9	13.5
Interest received	328.8	227.6	147.8
Dividend received	1.6	1.5	1.2
<b>Supplementary disclosure of non-cash investing activities:</b>			
Investment in shares at cost received in settlement of trade receivables	10.0	-	-
Issue of shares on acquisition of subsidiary	11.5	-	-

**See accompanying notes to consolidated financial statements**

## 1. Background and operations

Tata Consultancy Services Limited (the “Company”) and its subsidiaries (collectively “TCS Limited” or the “Group”) provide consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of 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.

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 of March 31, 2015, Tata Sons Limited owned 73.69% of Tata Consultancy Services Limited’s equity share capital and is the holding company.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on June 25, 2015.

## 2. Application of new and revised International Financial Reporting Standards (IFRSs)

**The Group has adopted the following new standards and amendments to standards:**

### *Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities*

In October 2012, the IASB issued “Investment Entities”, an amendment to IFRS 10, IFRS 12 and IAS 27. This amendment is effective for annual periods beginning on or after January 1, 2014. An investment entity is an entity meeting specific criteria; in particular its business purpose is to invest funds solely in order to obtain returns in the form of capital appreciation or investment income. The amendment requires investment entities to account for their investment in the entities they control at fair value through profit or loss; this is an exception to the IFRS 10 consolidation requirements. This amendment does not have any impact on the financial statements of TCS Limited as the Group does not have any “Investment Entity”.

### *IFRIC 21- Levies*

In May 2013, the IASB issued IFRIC 21 Levies. This IFRIC is effective for annual periods beginning on or after January 1, 2014. The interpretation is applied on a retrospective basis. This interpretation clarifies that the trigger event for the recognition of a liability for levies (i.e. miscellaneous taxes, duties and other levies not within the scope of IAS 12) is determined by reference to the terms of the relevant legislation, and not at an earlier date even if it has no realistic opportunity to avoid the triggering event. Consequently, a liability for payment of a levy cannot be recognised progressively in interim financial statements if there is no present obligation at the interim reporting date. The interpretation will achieve greater comparability between entities that operate in the same market within the same jurisdiction. TCS Limited has no material impact on adoption of this interpretation on its financial statements.

### *IAS 32 Disclosures – Offsetting Financial Assets and Financial Liabilities*

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realisation and settlement’. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application. This amendment does not have any significant impact on these financial statements.

## 3. Summary of significant accounting policies

### **a. Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB).

### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

**c. Basis of consolidation**

Tata Consultancy Services Limited 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 the entity.

Subsidiaries 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 inter-company transactions, balances and 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 owners of the Company.

**d. Business combinations**

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or 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, the excess is recognised in determination of profit or loss after reassessing the fair values of the net assets and contingent liabilities.

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 the 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 are recorded in shareholders' equity.

**e. Use of estimates and judgments**

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue 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.

Key source of estimation of uncertainty at March 31, 2015, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, useful lives of property, plant and equipment and valuation of deferred tax assets.

***Impairment of Goodwill***

TCS Limited performed an annual impairment test on goodwill of \$593.1 million as on March 31, 2015. The Group estimated the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating

results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows were developed using internal forecasts. The discount rates used for the CGUs represented the weighted-average cost of capital based on the historical market returns of comparable companies.

***Useful lives of property, plant and equipment***

The Company reviews the carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. The carrying amount of property, plant and equipment at March 31, 2015 is \$1,849.2 million.

**f. Revenue recognition**

TCS Limited earns revenue primarily from providing information technology and consultancy services, including services under contracts for software development, implementation and other related services, licensing and sale of its own software, business process services and maintenance of equipment.

TCS Limited recognises revenue as follows:

Revenue from bundled contracts that involve supplying computer equipment, licensing software and providing services is allocated separately for each element based on their fair values.

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

Revenue from software development contracts, which are generally time bound fixed price contracts, is recognised over the life of the contract using the percentage-of-completion method, with contract costs determining the degree of completion. Losses on such contracts are recognised when probable. Revenue in excess of billings is recognised as unbilled revenue in the statement of financial position; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the statement of financial position.

Revenue from Business Process Services contracts priced on the basis of time and material or unit of delivery is recognised as services are rendered or the related obligation is performed.

Revenue from the sale of internally developed and manufactured systems and third party products which do not require significant modification is recognised upon delivery, which is when the absolute right to use passes to the customer and TCS Limited does not have any material remaining service obligations.

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

Revenue is recognised only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured.

Revenue is reported net of discounts, indirect and service taxes.

**g. Leases**

***Finance lease***

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.

***Operating lease***

Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit or loss and other comprehensive income.

**h. Cost recognition**

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

***Cost of information technology and consultancy services***

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, employee allowances, payroll related taxes, fees to external consultants engaged in providing services, depreciation and amortisation of production related equipment and software, facility expenses, communication costs and other project related expenses.

***Cost of equipment and software licences***

These costs primarily include the cost of resold computer equipment and re-licenced software including inward shipping and insurance costs.

***Selling, general and administrative expenses***

Selling costs primarily include employee compensation for sales and marketing personnel, travel costs, advertising, business promotion expenses, allowances for delinquent receivables, facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation of non-production equipment and software, facility expenses for administrative offices, communication costs, fees to external consultants and other general expenses.

**i. Foreign currency**

The functional currency of Tata Consultancy Services Limited and its Indian subsidiaries is the Indian Rupee (₹) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile. These consolidated financial statements are presented in US Dollars (\$) to facilitate the investors' ability to evaluate TCS Limited's performance and financial position in comparison to similar companies domiciled in different foreign jurisdictions.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of statements of financial position. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the dates of statements of financial position. Statement of profit or loss and other comprehensive income statement items have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

**j. Finance and other income**

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. 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 tax are recognised in profit or 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 Tata Consultancy Services Limited, its overseas branches and its subsidiaries in India and overseas. The current tax payable by Tata Consultancy Services Limited and its subsidiaries in India is Indian income tax payable for their 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 Tata Consultancy Services Limited 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 Tata Consultancy Services Limited's on its 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 statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units 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.

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.

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 Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.



**I. Financial 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.

***Cash and cash equivalents***

TCS Limited 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***

Financial asset not measured at amortised cost is carried at fair value through profit or loss 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 profit or loss.

The Company on initial application of IFRS 9 (2013) has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

***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 recognised by the Company are recognised at the proceeds received net off direct issue cost.

***Hedge accounting***

TCS Limited designates certain foreign exchange forward, option and future contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

TCS Limited uses hedging instruments that are governed by the policies of the Company and its subsidiaries which are approved by their respective Board of Directors, which 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 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. The ineffective portion of designated hedges are recognised immediately in the profit or 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 hedge 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 the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the profit or 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 profit or loss when the forecasted



transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the profit or loss.

**m. Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Buildings, including leasehold buildings	Straight line	Lower of lease period and 20 years
Computer equipments	Straight line	4 years
Furniture, fixtures, office equipments and other assets	Straight line	4-10 years

Leasehold improvements are amortised over the lease term. Assets held under finance leases are depreciated over the shorter of the lease term and their useful lives. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

The Group has reviewed and revised the useful lives and the depreciation method of property, plant and equipment. Accordingly, the Group has recognised an additional depreciation expense of \$34.9 million for the year ended March 31, 2015. The additional depreciation includes \$29.2 million relating to property, plant and equipment with nil remaining useful life as of April 1, 2014 and does not affect future periods.

**n. Goodwill and intangible assets**

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.

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis.

Intangible assets consist of customer-related intangibles, acquired contract rights, technology-related rights and rights under licensing agreement and software licences. Following table summarises the nature of intangibles and the estimated useful lives.

Nature of intangible	Useful lives
Customer-related intangibles	3 years
Acquired contract rights	3-12 years
Technology-related rights	5 years
Rights under licensing agreement and software licences	Lower of licence period and 2-5 year

**o. Impairment**

**A. Financial assets (other than at fair value)**

The Group assesses at each date of statements of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

**B. Non-financial assets****(i) Tangible and intangible assets**

Property, plant and equipment and 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 profit or loss.

**(ii) Goodwill**

CGUs 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 a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**p. 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 the date of each statement of financial position. Actuarial gains and losses are recognised in full in the other comprehensive income for 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 statement of financial position 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.

***Defined contribution plans***

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

***Compensated absences***

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 obligation at the year end.

**q. Earnings per share**

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

#### 4. Recent accounting standards

**The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:**

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions <sup>1</sup>
Amendments to IFRS 11	Joint Arrangements <sup>2</sup>
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>2</sup>
IFRS 15	Revenue from Contracts with Customers <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after July 1, 2014.

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2016.

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2017.

##### ***Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions***

In November 2013, IASB issued Amendments to IAS 19 to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in those contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered. These amendments are effective for annual periods beginning on or after July 1, 2014. TCS Limited is evaluating the impact, if any, of these amendments on its financial statements.

##### ***Amendments to IFRS 11 – Joint Arrangements***

When an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, it shall apply, to the extent of its share in accordance with this standard, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this standard and disclose the information that is required in those IFRSs in relation to business combinations.

##### ***Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation***

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- (a) when the intangible asset is expressed as a measure of revenue; or
- (b) when it can be demonstrated that revenue and consumption of the economic benefits of intangible assets are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. TCS Limited uses the straight line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. TCS Limited does not expect this amendment to have any impact on its financial statements.

##### ***IFRS 15 – Revenue from Contracts with Customers***

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. TCS Limited is evaluating the impact, if any, of this Standard on its financial statements.

## 5. Acquisitions

On June 28, 2013, Tata Consultancy Services Netherlands BV, a wholly owned subsidiary of Tata Consultancy Services Limited, acquired 100% share capital of Alti S.A., an information technology services company in France, for a consideration of \$84.1 million (€64.5 million). Transaction cost related to acquisition of subsidiary of \$2.2 million (€1.7 million) was incurred which is included in 'Other expenses' in selling, general and administrative expenses (Refer note 21). Purchase price allocated to the fair values of assets acquired and liabilities assumed includes value of customer relationships, an intangible asset, which has been valued at \$9.5 million (€7.3 million), to be amortised over the period of 3 years. The excess of purchase consideration over net assets and the indentified intangible asset of \$80.4 million (€61.6 million) has been recognised as goodwill.

Purchase consideration paid for this acquisition has been allocated as follows:

(In millions of USD)	
<b>Net assets acquired, at fair value</b>	
Property, plant and equipment	1.5
Intangible assets	9.9
Trade receivables	33.9
Other current assets	21.6
Other current liabilities	(62.8)
Other non-current financial assets	0.4
Other non-current assets	0.7
Other non-current financial liabilities	(1.5)
Fair value of net assets as on date of acquisition	3.7
Goodwill	80.4
<b>Purchase Consideration</b>	<b>84.1</b>

Alti S.A. is an information technology services company incorporated in France. The acquisition of this entity shall enhance the customer base of TCS Limited in France and other regions in Europe in various business verticals. Alti S.A. is one of the top five system integrators of enterprise solutions in France. Its key customers comprise several top French corporations in the banking, financial services, manufacturing and utilities sectors. Alti S.A. has strong employees base having varied skill sets in France, Belgium and Switzerland.

Revenues and net profit of the acquiree included in the consolidated financial statements and proforma revenue and net profit information as at the beginning of April 1, 2013 has not been presented because the amounts are immaterial.

On July 1, 2014, Tata Consultancy Services Asia Pacific Pte Ltd., a wholly owned subsidiary of Tata Consultancy Services Limited, acquired a controlling interest in IT Frontier Corporation (referred to as "ITF") from Mitsubishi Corporation (referred to as "Non-controlling interests") in Japan for a consideration of \$59.6 million. The purchase consideration consists of the fair value of shares in a subsidiary of \$11.5 million transferred to Mitsubishi Corporation and cash consideration of \$48.1 million. Transaction cost related to acquisition of subsidiary of \$1.0 million was incurred which is included in 'Other expenses' in selling, general and administrative expenses (Refer note 21). Purchase price allocated to the fair values of assets acquired and liabilities assumed includes value of intangible assets in the nature of customer relationships and acquired contract rights, which has been valued at \$22.4 million, to be amortised over the period of 3 years. The excess of purchase consideration over net assets and the indentified intangible asset of \$0.9 million has been recognised as goodwill.

Additionally, the Company has a call option and the non-controlling interest has a put option on 15% of the non-controlling interest's equity ownership in ITF. The option is exercisable from

June 2019. The call and put options collectively contains an obligation for the Company to acquire 15% of the non-controlling interests and accordingly financial liability for the present value of the redemption amount has been recognised.

Purchase consideration paid for this acquisition has been allocated as follows:

	(In millions of USD)
<b>Net assets acquired, at fair value</b>	
Property, plant and equipment (includes Capital work-in-progress of \$9.4 million)	56.3
Intangible assets	22.4
Trade receivables	46.6
Other current assets	29.5
Other current liabilities	(75.9)
Other non-current financial assets	11.8
Other non-current assets	46.0
Other non-current financial liabilities	(2.0)
Other non-current liabilities	(19.8)
Fair value of net assets as on date of acquisition	114.9
Non-controlling interests	(56.2)
Goodwill	0.9
<b>Purchase Consideration</b>	<b>59.6</b>

ITF is an information technology services company incorporated in Japan. The acquisition of this entity shall enhance the customer base of TCS Limited in Japan and other regions in Asia Pacific in various business verticals. Acquisition of ITF will create a new IT Services company of significant scale in the Japanese market. ITF brings its long standing relationships with Japanese corporations, talented workforce and competencies in industries like retail, distribution and trading. This will complement TCS' deep domain knowledge, technology expertise and strong execution track record.

#### *Proforma results for ITF acquisition*

The following proforma financial information presents the combined results of operations of TCS Limited and ITF as if the acquisition had occurred as of the beginning of the current reporting period. The proforma results for current reporting period presented include amortisation charges for identified intangible assets, eliminations of inter-company transactions and related tax effects.

The unaudited proforma result is as follows for the fiscal year ended March 31, 2015:

	<b>Year ended March 31, 2015</b>
	<b>(In millions of USD)</b>
Revenue	15,557.0
Profit for the year	3,249.1

The proforma financial information is presented for informational purposes and is not indicative of the results of operations that may have been achieved if the acquisition had taken place at the beginning of the period presented.

#### *Current year contribution by ITF*

The total revenue and net profit of the Group includes \$308.5 million and \$11.4 million respectively as a contribution by the acquired entity.

**6. Cash & Cash equivalents**

Cash and cash equivalents consist of the following:

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Cash at banks and in hand	241.2	155.0
Bank deposits (original maturity less than three months)	56.4	89.5
<b>Total</b>	<b>297.6</b>	<b>244.5</b>
Held within India	46.6	20.4
Held outside India	251.0	224.1
<b>Total</b>	<b>297.6</b>	<b>244.5</b>

**7. Trade receivables**

Trade receivables consist of the following:

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Trade receivables	3,337.8	3,084.9
Less: Allowance for doubtful trade receivables	(71.5)	(49.7)
<b>Total</b>	<b>3,266.3</b>	<b>3,035.2</b>

Movements in allowance for doubtful trade receivables are as follows:

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD)</b>			
<b>Balance at the beginning of the year</b>	<b>49.7</b>	35.1	38.0
Common control transfer	-	-	0.3
Expense incurred during the year	44.9	26.6	12.2
Amounts written-off as uncollectible	(2.3)	(1.7)	(9.1)
Amounts recovered during the year	(17.1)	(9.9)	(4.9)
Foreign currency exchange gain	(3.7)	(0.4)	(1.4)
<b>Balance at the end of the year</b>	<b>71.5</b>	<b>49.7</b>	<b>35.1</b>

**8. Investments**

Investments consist of the following:

**(a) Investments - Current**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
<b>Investments carried at fair value through profit or loss</b>		
Mutual fund units	239.9	70.6
	<b>239.9</b>	<b>70.6</b>
<b>Investments carried at amortised cost</b>		
Corporate debentures and bonds	-	123.1
	-	123.1
<b>Total investments - Current</b>	<b>239.9</b>	<b>193.7</b>

**(b) Investments - Non-current**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
<b>Investments carried at fair value through profit or loss</b>		
Mutual fund units	1.1	1.1
	1.1	1.1
<b>Investments carried at fair value through OCI</b>		
Equity shares	26.5	9.0
	26.5	9.0
<b>Investments carried at amortised cost</b>		
Corporate debentures and bonds	4.0	366.0
Government securities	8.9	6.6
	12.9	372.6
<b>Total investments - Non-current</b>	<b>40.5</b>	<b>382.7</b>

The contractual maturity of investments as of March 31, 2015 is as follows:

**Investments carried at amortised cost:**

	Carried at amortised cost (In millions of USD)
<b>Year ending March 31,</b>	
2016	-
2017	4.0
2018	-
2019	-
2020	-
Thereafter	8.9
<b>Total</b>	<b>12.9</b>

**9. Other financial assets**

Other financial assets consist of the following:

**(a) Other current financial assets**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Accrued interest	54.6	122.5
Employee loans and advances (net of allowances of \$8.2 million and \$7.4 million, respectively)	53.6	51.6
Inter-corporate deposits	184.4	317.9
Foreign exchange derivative assets	58.4	58.6
Restricted cash	50.0	4.3
Premises deposits (net of allowances of \$0.2 million and \$0.6 million, respectively)	19.1	11.5
Others (net of allowances of \$0.5 million and \$0.7 million, respectively)	13.6	4.2
<b>Total</b>	<b>433.7</b>	<b>570.6</b>

Restricted cash mainly includes amounts restricted for Corporate Social Responsibility activities and margin money deposit for derivative contracts.

**(b) Other non-current financial assets**

Accrued interest	
Premises deposits (net of allowances of NIL and \$0.1 million, respectively)	
Employee loans and advances	
Inter-corporate deposits	
Others	
<b>Total</b>	

As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>	
<b>3.9</b>	5.8
<b>93.1</b>	88.5
<b>1.4</b>	1.2
<b>251.2</b>	163.9
<b>20.5</b>	31.5
<b>370.1</b>	290.9

**10. Other assets**

Other assets consist of the following:

**(a) Other current assets**

Prepaid expenses	
Indirect tax recoverable	
Advances to suppliers	
Others	
<b>Total</b>	

As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>	
<b>241.6</b>	186.9
<b>49.3</b>	61.8
<b>17.5</b>	12.7
<b>27.0</b>	14.4
<b>335.4</b>	275.8

**(b) Other non-current assets**

Prepaid expenses	
Prepaid rent	
Others	
<b>Total</b>	

As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>	
<b>85.4</b>	36.2
<b>38.5</b>	40.2
<b>21.0</b>	12.2
<b>144.9</b>	88.6



## 11. Property, plant and equipment

Property, plant and equipment consist of the following:

	Freehold land	Buildings	Leasehold improvements	Computer equipment	Furniture, fixtures, office equipments and other assets	Total
(In millions of USD)						
<b>Cost as of April 1, 2014</b>	<b>57.7</b>	<b>586.9</b>	<b>214.8</b>	<b>693.8</b>	<b>601.2</b>	<b>2,154.4</b>
Additions	-	213.4	43.1	156.9	140.4	553.8
Acquisition through a business combination	-	-	28.2	12.4	6.3	46.9
Disposals	-	(0.1)	(0.7)	(9.9)	(2.3)	(13.0)
Translation exchange difference	(2.2)	(28.3)	(17.8)	(42.4)	(31.2)	(121.9)
<b>Cost as of March 31, 2015</b>	<b>55.5</b>	<b>771.9</b>	<b>267.6</b>	<b>810.8</b>	<b>714.4</b>	<b>2,620.2</b>
<b>Accumulated depreciation as of April 1, 2014</b>	-	(102.7)	(105.2)	(482.4)	(326.2)	(1,016.5)
Disposals	-	-	0.5	9.6	2.0	12.1
Depreciation for the year	-	(38.9)	(30.2)	(120.9)	(101.4)	(291.4)
Translation exchange difference	-	4.9	6.7	27.7	17.0	56.3
<b>Accumulated depreciation as of March 31, 2015</b>	-	(136.7)	(128.2)	(566.0)	(408.6)	(1,239.5)
<b>Net carrying amount as of March 31, 2015</b>	<b>55.5</b>	<b>635.2</b>	<b>139.4</b>	<b>244.8</b>	<b>305.8</b>	<b>1,380.7</b>
Capital work-in-progress						468.5
<b>Total</b>						<b>1,849.2</b>

	Freehold land	Buildings	Leasehold improvements	Computer equipment	Furniture, fixtures, office equipments and other assets	Total
(In millions of USD)						
<b>Cost as of April 1, 2013</b>	63.3	535.0	201.2	651.7	532.2	1,983.4
Additions	0.1	101.1	45.1	111.7	112.9	370.9
Acquisition through a business combination	-	-	-	0.6	0.9	1.5
Disposals	-	-	(7.8)	(22.3)	(8.8)	(38.9)
Translation exchange difference	(5.7)	(49.2)	(23.7)	(47.9)	(36.0)	(162.5)
<b>Cost as of March 31, 2014</b>	<b>57.7</b>	<b>586.9</b>	<b>214.8</b>	<b>693.8</b>	<b>601.2</b>	<b>2,154.4</b>
<b>Accumulated depreciation as of April 1, 2013</b>	-	(88.8)	(105.7)	(442.9)	(277.8)	(915.2)
Disposals	-	-	6.6	21.8	8.7	37.1
Depreciation for the year	-	(22.0)	(20.7)	(93.4)	(72.7)	(208.8)
Translation exchange difference	-	8.1	14.6	32.1	15.6	70.4
<b>Accumulated depreciation as of March 31, 2014</b>	-	(102.7)	(105.2)	(482.4)	(326.2)	(1,016.5)
<b>Net carrying amount as of March 31, 2014</b>	<b>57.7</b>	<b>484.2</b>	<b>109.6</b>	<b>211.4</b>	<b>275.0</b>	<b>1,137.9</b>
Capital work-in-progress						587.7
<b>Total</b>						<b>1,725.6</b>

	Freehold land	Buildings	Leasehold improvements	Computer equipment	Furniture, fixtures, office equipments and other assets	Total
(In millions of USD)						
<b>Cost as of April 1, 2012</b>	65.1	429.0	192.3	568.5	457.6	1,712.5
Additions	2.0	132.4	24.9	120.1	107.8	387.2
Common control transfer	-	-	0.4	14.1	0.8	15.3
Disposals	-	(0.5)	(1.9)	(16.7)	(10.9)	(30.0)
Translation exchange difference	(3.8)	(25.9)	(14.5)	(34.3)	(23.1)	(101.6)
<b>Cost as of March 31, 2013</b>	<u>63.3</u>	<u>535.0</u>	<u>201.2</u>	<u>651.7</u>	<u>532.2</u>	<u>1,983.4</u>
<b>Accumulated depreciation as of April 1, 2012</b>	-	(74.9)	(91.8)	(379.0)	(237.4)	(783.1)
Common control transfer	-	-	(0.4)	(11.2)	(0.2)	(11.8)
Disposals	-	0.4	1.3	13.9	8.0	23.6
Depreciation for the year	-	(18.9)	(21.6)	(89.3)	(60.0)	(189.8)
Translation exchange difference	-	4.6	6.8	22.7	11.8	45.9
<b>Accumulated depreciation as of March 31, 2013</b>	<u>-</u>	<u>(88.8)</u>	<u>(105.7)</u>	<u>(442.9)</u>	<u>(277.8)</u>	<u>(915.2)</u>
<b>Net carrying amount as of March 31, 2013</b>	<u>63.3</u>	<u>446.2</u>	<u>95.5</u>	<u>208.8</u>	<u>254.4</u>	<u>1,068.2</u>
Capital work-in-progress						440.1
<b>Total</b>						<u><u>1,508.3</u></u>

Net carrying amount of property, plant and equipment under finance lease arrangements were as follows:

	As of March 31, 2015	As of March 31, 2014
(In millions of USD)		
Leasehold improvements	16.8	17.5
Computer equipment	25.7	21.1
Office equipment	1.1	-
<b>Leased assets</b>	<b>43.6</b>	38.6
Less: Accumulated depreciation	(21.1)	(13.1)
<b>Leased assets (net)</b>	<b>22.5</b>	25.5

## 12. Intangible assets

Intangible assets consist of the following:

	Customer-related intangibles	Technology-related rights	Acquired contract rights	Rights under licensing agreement and software licences	Total
(In millions of USD)					
<b>Cost as of April 1, 2014</b>	<b>14.6</b>	<b>2.2</b>	<b>42.0</b>	<b>23.6</b>	<b>82.4</b>
Additions	-	-	-	0.3	0.3
Acquisition through a business combination	1.6	-	20.8	-	22.4
Translation exchange difference	(2.6)	(0.1)	(4.7)	(1.2)	(8.6)
<b>Cost as of March 31, 2015</b>	<b>13.6</b>	<b>2.1</b>	<b>58.1</b>	<b>22.7</b>	<b>96.5</b>
<b>Accumulated amortisation as of April 1, 2014</b>	<b>(7.1)</b>	<b>(2.1)</b>	<b>(28.5)</b>	<b>(15.2)</b>	<b>(52.9)</b>
Amortisation for the year	(3.5)	(0.1)	(8.6)	(2.2)	(14.4)
Translation exchange difference	1.4	0.1	3.4	0.9	5.8
<b>Accumulated amortisation as of March 31, 2015</b>	<b>(9.2)</b>	<b>(2.1)</b>	<b>(33.7)</b>	<b>(16.5)</b>	<b>(61.5)</b>
<b>Net carrying amount as of March 31, 2015</b>	<b>4.4</b>	<b>-</b>	<b>24.4</b>	<b>6.2</b>	<b>35.0</b>

	Customer-related intangibles	Technology-related rights	Acquired contract rights	Rights under licensing agreement and software licences	Total
(In millions of USD)					
<b>Cost as of April 1, 2013</b>	<b>4.3</b>	<b>2.3</b>	<b>38.3</b>	<b>25.0</b>	<b>69.9</b>
Additions	-	0.1	-	1.2	1.3
Acquisition through a business combination	9.5	-	-	0.4	9.9
Disposals	-	-	-	(0.6)	(0.6)
Translation exchange difference	0.8	(0.2)	3.7	(2.4)	1.9
<b>Cost as of March 31, 2014</b>	<b>14.6</b>	<b>2.2</b>	<b>42.0</b>	<b>23.6</b>	<b>82.4</b>
<b>Accumulated amortisation as of April 1, 2013</b>	<b>(4.3)</b>	<b>(2.2)</b>	<b>(22.8)</b>	<b>(14.3)</b>	<b>(43.6)</b>
Amortisation for the year	(2.5)	(0.1)	(3.4)	(2.9)	(8.9)
Disposals	-	-	-	0.6	0.6
Translation exchange difference	(0.3)	0.2	(2.3)	1.4	(1.0)
<b>Accumulated amortisation as of March 31, 2014</b>	<b>(7.1)</b>	<b>(2.1)</b>	<b>(28.5)</b>	<b>(15.2)</b>	<b>(52.9)</b>
<b>Net carrying amount as of March 31, 2014</b>	<b>7.5</b>	<b>0.1</b>	<b>13.5</b>	<b>8.4</b>	<b>29.5</b>

	Customer-related intangibles	Technology-related rights	Acquired contract rights	Rights under licensing agreement and software licences	Total
(In millions of USD)					
<b>Cost as of April 1, 2012</b>	4.5	2.5	40.4	23.2	70.6
Additions	-	-	-	3.2	3.2
Common control transfer	-	-	-	0.7	0.7
Disposals	-	-	-	(0.6)	(0.6)
Translation exchange difference	(0.2)	(0.2)	(2.1)	(1.5)	(4.0)
<b>Cost as of March 31, 2013</b>	<u>4.3</u>	<u>2.3</u>	<u>38.3</u>	<u>25.0</u>	<u>69.9</u>
<b>Accumulated amortisation as of April 1, 2012</b>	(2.7)	(2.3)	(20.3)	(11.2)	(36.5)
Amortisation for the year	(1.7)	-	(3.3)	(3.4)	(8.4)
Common control transfer	-	-	-	(0.6)	(0.6)
Disposals	-	-	-	0.3	0.3
Translation exchange difference	0.1	0.1	0.8	0.6	1.6
<b>Accumulated amortisation as of March 31, 2013</b>	<u>(4.3)</u>	<u>(2.2)</u>	<u>(22.8)</u>	<u>(14.3)</u>	<u>(43.6)</u>
<b>Net carrying amount as of March 31, 2013</b>	<u>-</u>	<u>0.1</u>	<u>15.5</u>	<u>10.7</u>	<u>26.3</u>

Function wise amortisation of intangible assets is as follows:

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
(In millions of USD)			
Cost of information technology and consultancy services	2.2	2.0	2.4
Selling, general and administrative expenses	12.2	6.9	6.0
<b>Total</b>	<u>14.4</u>	<u>8.9</u>	<u>8.4</u>

The estimated amortisation for each of the five fiscal years subsequent to March 31, 2015 is as follow:

Year ending March 31,	Amortisation expense
	(In millions of USD)
2016	14.7
2017	12.5
2018	6.0
2019	1.1
2020	0.7
Thereafter	-
<b>Total</b>	<u>35.0</u>

### 13. Goodwill

Goodwill consists of the following:

#### Balance at the beginning of the year

Additional amount recognised from business combination during the year

Foreign currency exchange loss

#### Balance at the end of the year

Year ended March 31, 2015	Year ended March 31, 2014
(In millions of USD)	
662.6	619.1
0.9	80.4
(70.4)	(36.9)
<b>593.1</b>	<b>662.6</b>

TCS Limited tests goodwill annually for impairment. Acquired subsidiaries to which goodwill relates have been identified as CGUs.

Goodwill of \$342.2 million and \$356.5 million as of March 31, 2015 and 2014 has been allocated to TCS business process services (BPS) CGU. TCS Limited estimated the value-in-use of TCS BPS based on future cash flows of this CGU using a 5% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 15%. An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Goodwill also includes \$66.2 million and \$84.6 million as of March 31, 2015 and 2014 on account of investment in Alti S.A. by Tata Consultancy Services Netherlands BV, a wholly owned subsidiary of Tata Consultancy Services Limited. The estimated value-in-use of Alti S.A. is based on future cash flows of this subsidiary using a 2% annual growth rate for periods subsequent to the forecast period of 3 years and discount rate of 9%. An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable 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 \$184.7 million (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.

### 14. Trade and other payables

Trade and other payables consist of the following:

Trade payables

Accrued payroll

Others

#### Total

As of March 31, 2015	As of March 31, 2014
(In millions of USD)	
736.0	674.3
666.7	237.7
8.6	9.8
<b>1,411.3</b>	<b>921.8</b>

### 15. Other financial liabilities

Other financial liabilities consist of the following:

#### (a) Other current financial liabilities

Foreign exchange derivative liabilities

Capital creditors

Liabilities for cost related to customer contracts

Others

#### Total

As of March 31, 2015	As of March 31, 2014
(In millions of USD)	
3.2	3.8
53.9	81.2
116.3	107.9
16.4	17.9
<b>189.8</b>	<b>210.8</b>

**(b) Other non-current financial liabilities**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Capital creditors	<b>10.8</b>	15.4
Others	<b>95.0</b>	57.5
<b>Total</b>	<b>105.8</b>	72.9

Others includes advance taxes paid of \$53.3 million and \$55.5 million as of March 31, 2015 and 2014, respectively, by the seller of TCS e-Serve Limited which on refund by tax authorities, is payable to the seller.

**16. Other liabilities**

Other liabilities consist of the following:

**(a) Other current liabilities**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Indirect tax payable and other statutory liabilities	<b>183.1</b>	197.6
Advances received from customers	<b>20.9</b>	10.5
Others	<b>10.3</b>	7.9
<b>Total</b>	<b>214.3</b>	216.0

**(b) Other non-current liabilities**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Operating lease liabilities	<b>55.1</b>	48.7
Others	<b>9.4</b>	2.1
<b>Total</b>	<b>64.5</b>	50.8

**17. Income taxes**

The income tax expense consists of the following:

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD)</b>			
<b>Current tax:</b>			
Current tax expense for current year	<b>1,027.4</b>	1,016.9	817.0
Current tax expense / (benefit) pertaining to prior years	<b>5.2</b>	(8.4)	(13.0)
	<b>1,032.6</b>	1,008.5	804.0
Deferred tax benefit	<b>(38.5)</b>	(12.4)	(63.3)
<b>Total income tax expense recognised in current year</b>	<b>994.1</b>	996.1	740.7

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of comprehensive income is as follows:

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD)</b>			
Profit before income taxes	4,239.8	4,170.0	3,322.3
Indian statutory income tax rate	33.99%	33.99%	32.45%
Expected income tax expense	1,441.1	1,417.4	1,078.1
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>			
Tax holidays	(638.6)	(580.0)	(437.1)
Income exempt from tax	(3.0)	(2.8)	(4.5)
Undistributed earnings in branches and subsidiaries	33.6	60.8	44.2
Tax on income at different rates	97.7	18.2	24.4
Tax pertaining to prior years	4.6	51.7	2.1
Others (net)	58.7	30.8	33.5
<b>Total income tax expense</b>	<b>994.1</b>	<b>996.1</b>	<b>740.7</b>

Tata Consultancy Services Limited and its certain subsidiaries in India benefit 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 fulfillment of certain conditions. From April 1, 2011 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, 2015 are as follows:

	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Acquisitions / disposals	Exchange difference	Closing balance
<b>(In millions of USD)</b>						
<b>Deferred tax assets / (liabilities) in relation to:</b>						
Property, plant and equipment and intangible assets	(27.1)	13.1	-	(6.5)	0.7	(19.8)
Retirement benefits and compensated absences	35.3	0.4	5.8	8.4	(2.9)	47.0
Cash flow hedges	(0.8)	-	(2.7)	-	-	(3.5)
Receivables, financial assets at amortised cost	18.8	7.3	-	-	(0.8)	25.3
MAT credit entitlement	315.6	1.4	-	-	(12.7)	304.3
Operating loss carry forward	1.8	(5.7)	-	4.3	(0.4)	-
Branch profit tax	(36.3)	(6.3)	-	-	1.6	(41.0)
Undistributed earnings of subsidiaries	(38.9)	11.7	-	-	1.7	(25.5)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	-	(0.3)	(0.2)	-	-	(0.5)
Others	23.0	16.9	-	6.5	(2.3)	44.1
<b>Net deferred tax assets / (liabilities)</b>	<b>291.4</b>	<b>38.5</b>	<b>2.9</b>	<b>12.7</b>	<b>(15.1)</b>	<b>330.4</b>

Gross deferred tax assets and liabilities are as follows:

**As of March 31, 2015**

**Deferred tax assets / (liabilities) in relation to:**

Property, plant and equipment and intangible assets  
 Retirement benefits and compensated absences  
 Cash flow hedges  
 Receivables, financial assets at amortised cost  
 MAT credit entitlement  
 Branch profit tax  
 Undistributed earnings of subsidiaries  
 Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income  
 Others

**Net deferred tax assets / (liabilities)**

Assets	Liabilities	Net
(In millions of USD)		
1.8	21.6	(19.8)
46.5	(0.5)	47.0
(3.5)	-	(3.5)
25.3	-	25.3
304.3	-	304.3
-	41.0	(41.0)
-	25.5	(25.5)
(0.5)	-	(0.5)
44.0	(0.1)	44.1
<b>417.9</b>	<b>87.5</b>	<b>330.4</b>

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2014 are as follows:

Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Acquisitions / disposals	Exchange difference	Closing balance
-----------------	------------------------------	--	--------------------------	---------------------	-----------------

(In millions of USD)

**Deferred tax assets / (liabilities) in relation to:**

Property, plant and equipment and intangible assets  
 Retirement benefits and compensated absences  
 Cash flow hedges  
 Receivables, financial assets at amortised cost  
 MAT credit entitlement  
 Operating loss carry forward  
 Branch profit tax  
 Undistributed earnings of subsidiaries  
 Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income  
 Others

**Net deferred tax assets / (liabilities)**

(27.3)	(2.4)	-	-	2.6	(27.1)
32.2	4.8	0.3	0.5	(2.5)	35.3
(1.0)	-	0.4	-	(0.2)	(0.8)
14.0	5.9	-	-	(1.1)	18.8
339.5	8.2	-	-	(32.1)	315.6
1.0	0.9	-	-	(0.1)	1.8
(29.5)	(9.9)	-	-	3.1	(36.3)
(45.0)	1.5	-	-	4.6	(38.9)
(0.2)	(0.1)	0.2	-	0.1	-
20.8	3.5	-	0.2	(1.5)	23.0
<b>304.5</b>	<b>12.4</b>	<b>0.9</b>	<b>0.7</b>	<b>(27.1)</b>	<b>291.4</b>



Gross deferred tax assets and liabilities are as follows:

As of March 31, 2014

**Deferred tax assets / (liabilities) in relation to:**

Property, plant and equipment and intangible assets  
Retirement benefits and compensated absences  
Cash flow hedges  
Receivables, financial assets at amortised cost  
MAT credit entitlement  
Operating loss carry forward  
Branch profit tax  
Undistributed earnings of subsidiaries  
Others

**Net deferred tax assets / (liabilities)**

Assets	Liabilities	Net
(In millions of USD)		
(11.8)	15.3	(27.1)
35.0	(0.3)	35.3
-	0.8	(0.8)
18.8	-	18.8
315.6	-	315.6
1.8	-	1.8
-	36.3	(36.3)
-	38.9	(38.9)
24.5	1.5	23.0
<u>383.9</u>	<u>92.5</u>	<u>291.4</u>

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2013 are as follows:

Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Acquisitions / disposals	Exchange difference	Closing balance
-----------------	------------------------------	--	--------------------------	---------------------	-----------------

(In millions of USD)

**Deferred tax assets / (liabilities) in relation to:**

Property, plant and equipment and intangible assets  
Retirement benefits and compensated absences  
Cash flow hedges  
Receivables, financial assets at amortised cost  
MAT credit entitlement  
Operating loss carry forward  
Branch profit tax  
Undistributed earnings of subsidiaries  
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income  
Others

**Net deferred tax assets / (liabilities)**

(10.3)	(17.9)	-	-	0.9	(27.3)
25.3	6.4	1.9	-	(1.4)	32.2
5.9	-	(6.5)	-	(0.4)	(1.0)
13.9	0.8	-	-	(0.7)	14.0
289.8	67.4	-	-	(17.7)	339.5
0.3	0.7	-	-	-	1.0
(20.2)	(10.5)	-	-	1.2	(29.5)
(48.1)	0.4	-	-	2.7	(45.0)
(0.3)	-	0.1	-	-	(0.2)
5.1	16.0	-	-	(0.3)	20.8
<u>261.4</u>	<u>63.3</u>	<u>(4.5)</u>	<u>-</u>	<u>(15.7)</u>	<u>304.5</u>

Under the Indian 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. These losses will expire based on the year of origination as follows:

**March 31,**

2016

2017

2018

2019

2020

2021

Thereafter

**Total**

**Unabsorbed  
business losses**

**(In millions of USD)**

**15.4**

**11.5**

**10.9**

**7.1**

**5.0**

**1.8**

**35.3**

**87.0**

Additionally, the Company has not recognised deferred tax assets in respect of tax credit entitlement amounting to \$104.3 million which will expire after March 31, 2021.

Under the Indian Income Tax Act, 1961, Tata Consultancy Services Limited and its subsidiaries in India are liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 10 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, Indian subsidiaries of Tata Consultancy Services Limited have recognised a deferred tax asset of \$304.3 million as of March 31, 2015.

Deferred tax liability on undistributed earnings of \$1,080.1 million of certain 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.

Tata Consultancy Services Limited and its subsidiaries in India have ongoing disputes with Indian Income Tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company and its subsidiaries in India as deductions, and computation of, or eligibility of, certain tax incentives or allowances. As of March 31, 2015, the Company and its subsidiaries in India have contingent liability in respect of demands from direct tax authorities in India, which are being contested by the Company and its subsidiaries in India on appeal amounting \$624.0 million. In respect of tax contingencies of \$50.8 million, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited which is to be adjusted to the purchase price consideration.

Tata Consultancy Services Limited and its subsidiaries in India believe that its position on these claims made by tax authorities will more likely than not sustain upon examination by the relevant authorities.

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 2011 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2010 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2012 and earlier.

## 18. Authorised and issued share capital

	As of March 31, 2015	As of March 31, 2014
	(In millions of USD)	
<b>(a) Authorised</b>		
4,200,500,000 equity shares of ₹1 each	79.5	79.5
	<b>79.5</b>	<b>79.5</b>
<b>(b) Issued, Subscribed and Paid up</b>		
1,957,220,996 equity shares of ₹1 each	-	43.6
1,506,983 equity shares of ₹1 each issued during the year	-	.*
1,958,727,979 equity shares of ₹1 each	<b>43.6</b>	-
<b>Total</b>	<b>43.6</b>	<b>43.6</b>

\*Share capital increase having value of less than \$50,000.

Fully paid equity shares, which have a par value of \$0.02 (₹1) each carry one vote per share and have a right to dividend. Dividend can be declared out of retained profits computed in accordance with the Indian Companies Act, 2013. Subject to the buy-back of shares, under the Indian Companies Act, equity shares are not redeemable. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1,506,983 equity shares of \$0.02 (₹1) each have been issued to the shareholders of TCS e-Serve Limited having non-controlling interests, without payment being received in cash, in terms of the composite scheme of arrangement (the "Scheme") sanctioned by the High Court of Judicature at Bombay through their order dated September 6, 2013.

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.

## 19. Other components of equity

Other components of equity consist of the following:

### (a) Investment revaluation reserve

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
	(In millions of USD)		
<b>Balance at the beginning of the year</b>	<b>0.1</b>	0.5	0.6
Net gains / (losses) arising on revaluation of financial assets carried at fair value	<b>0.6</b>	(0.7)	1.3
Deferred tax relating to gains / (losses) arising on revaluation of financial assets carried at fair value	<b>(0.2)</b>	0.2	(0.4)
Cumulative gain reclassified to profit or loss on sale of financial assets carried at fair value	-	-	(1.6)
Deferred tax relating to cumulative gain reclassified to profit or loss on sale of financial assets carried at fair value	-	-	0.5
Transferred to non-controlling interests	-	0.1	0.1
<b>Balance at the end of the year</b>	<b>0.5</b>	<b>0.1</b>	<b>0.5</b>

**(b) Cash flow hedging reserve**

Refer note 26(b) for movements in hedging reserve.

**(c) Foreign currency translation reserve**

Refer statements of change in equity for movements in foreign currency translation reserve.

**20. Employee benefits**

Function wise employee cost is as follows:

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD)</b>			
Cost of information technology and consultancy services	6,243.2	4,984.0	4,377.3
Selling, general and administrative expenses	2,035.6	1,676.8	1,475.9
<b>Total</b>	<b>8,278.8</b>	<b>6,660.8</b>	<b>5,853.2</b>

**(a) Current employee benefit obligations**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Compensated absences	214.2	171.8
Other employee benefit obligations	2.5	2.5
<b>Total</b>	<b>216.7</b>	<b>174.3</b>

**(b) Non-current employee benefit obligations**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Gratuity liability	3.3	26.3
Foreign defined benefit plans	22.4	12.5
Other employee benefit obligations	6.8	7.0
<b>Total</b>	<b>32.5</b>	<b>45.8</b>

**Defined benefit plan**
*Gratuity and pension*

In accordance with Indian law, Tata Consultancy Services Limited and its subsidiaries in India provide to the eligible employees defined benefit plans such as gratuity 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. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31. 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:

	Year ended March 31, 2015				Year ended March 31, 2014				Year ended March 31, 2013						
	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	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
(In millions of USD)															
Change in benefit obligations:															
Benefit obligations, beginning of the year	169.3	0.1	71.6	5.6	246.6	162.0	0.5	62.5	2.9	227.9	141.9	0.3	52.6	1.1	195.9
Exchange (gain) / loss on translation	(7.8)	-	(13.8)	(1.0)	(22.6)	(14.9)	(0.4)	5.3	-	(10.0)	(8.8)	-	(3.6)	-	(12.4)
Plans assumed on acquisitions	-	-	29.8	-	29.8	-	-	-	1.4	1.4	-	-	-	-	-
Plan participants' contribution	-	-	1.1	-	1.1	-	-	1.2	-	1.2	-	-	1.4	-	1.4
Service cost	27.1	0.1	2.8	2.1	32.1	25.3	-	4.8	0.9	31.0	21.6	0.1	4.0	1.2	26.9
Interest cost	16.1	-	2.7	0.3	19.1	11.6	-	2.2	0.2	14.0	12.2	-	2.0	0.2	14.4
Remeasurement of the net defined benefit liability	21.4	-	17.4	1.8	40.6	(3.8)	-	3.4	0.3	(0.1)	3.4	0.1	9.1	-	12.6
Past service (credit) / cost	-	-	-	(0.2)	(0.2)	0.6	-	(3.2)	-	(2.6)	-	-	(0.4)	0.7	0.3
Benefits paid	(19.3)	(0.1)	(1.8)	(0.2)	(21.4)	(11.5)	-	(4.6)	(0.1)	(16.2)	(8.3)	-	(2.6)	(0.3)	(11.2)
Benefit obligations, end of the year	206.8	0.1	109.8	8.4	325.1	169.3	0.1	71.6	5.6	246.6	162.0	0.5	62.5	2.9	227.9

	Year ended March 31, 2015				Year ended March 31, 2014				Year ended March 31, 2013						
	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	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In millions of USD)														
Change in plan assets:															
Fair value of plan assets, beginning of the year	143.1	-	64.7	-	207.8	114.6	-	57.5	-	172.1	111.7	-	52.9	-	164.6
Exchange (loss) /gain on translation	(7.8)	-	(14.7)	-	(22.5)	(10.4)	-	5.1	-	(5.3)	(7.0)	-	(3.0)	-	(10.0)
Plans assumed on acquisitions	-	-	40.2	-	40.2	-	-	-	-	-	-	-	-	-	-
Interest income	13.8	-	2.8	-	16.6	7.9	-	2.7	-	10.6	9.1	-	2.2	-	11.3
Employers' contributions	101.3	-	4.1	-	105.4	38.3	-	4.3	-	42.6	8.4	-	4.1	-	12.5
Plan participants' contribution	-	-	1.1	-	1.1	-	-	1.2	-	1.2	-	-	1.4	-	1.4
Benefits paid	(19.3)	-	(1.8)	-	(21.1)	(11.5)	-	(4.6)	-	(16.1)	(8.3)	-	(2.6)	-	(10.9)
Remeasurement - return on plan assets excluding amount included in interest income	1.0	-	10.5	-	11.5	4.2	-	(1.5)	-	2.7	0.7	-	2.5	-	3.2
Fair value of plan assets, end of the year	232.1	-	106.9	-	339.0	143.1	-	64.7	-	207.8	114.6	-	57.5	-	172.1

	As of March 31, 2015				As of March 31, 2014					
	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
(In millions of USD)										
<b>Funded status:</b>										
Deficit of plan assets over obligations	(3.2)	(0.1)	(14.0)	(8.4)	(25.7)	(26.2)	(0.1)	(6.9)	(5.6)	(38.8)
Surplus of plan assets over obligations	28.5	-	11.1	-	39.6	-	-	-	-	-
Unrecognised asset due to asset ceiling	-	-	(11.4)	-	(11.4)	-	-	-	-	-
	25.3	(0.1)	(14.3)	(8.4)	2.5	(26.2)	(0.1)	(6.9)	(5.6)	(38.8)
(In millions of USD)										
	As of March 31, 2015					As of March 31, 2014				
	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
(In millions of USD)										
<b>Category of assets:</b>										
Corporate bonds	27.9	-	19.4	-	47.3	-	-	14.7	-	14.7
Equity shares	-	-	21.4	-	21.4	-	-	8.3	-	8.3
Government Securities	42.4	-	15.9	-	58.3	-	-	-	-	-
Index linked gilt	-	-	17.2	-	17.2	-	-	14.7	-	14.7
Insurer managed funds	119.6	-	27.6	-	147.2	143.1	-	26.5	-	169.6
Cash and bank balances	34.7	-	0.9	-	35.6	-	-	0.5	-	0.5
Others	7.5	-	4.5	-	12.0	-	-	-	-	-
<b>Total</b>	232.1	-	106.9	-	339.0	143.1	-	64.7	-	207.8

Net periodic gratuity / pension cost, included in employee cost (Refer note 21), consists of the following components:

	Year ended March 31, 2015				Year ended March 31, 2014				Year ended March 31, 2013						
	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	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
(In millions of USD)															
Service cost	27.1	0.1	2.8	2.1	32.1	25.3	-	4.8	0.9	31.0	21.6	0.1	4.0	1.2	26.9
Net interest on net defined benefit liability / (asset)	2.3	-	(0.1)	0.3	2.5	3.7	-	(0.5)	0.2	3.4	NA	NA	NA	NA	NA
Interest cost	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	12.2	-	2.0	0.2	14.4
Past service (credit) / cost	-	-	-	(0.2)	(0.2)	0.6	-	(3.2)	-	(2.6)	-	-	(0.4)	0.7	0.3
Expected return on plan assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	(9.1)	-	(2.2)	-	(11.3)
Net periodic gratuity / pension cost	29.4	0.1	2.7	2.2	34.4	29.6	-	1.1	1.1	31.8	24.7	0.1	3.4	2.1	30.3
Actual return on plan assets	14.8	-	13.3	-	28.1	12.1	-	1.2	-	13.3	9.8	-	4.7	-	14.5

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

	Year ended March 31, 2015				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In millions of USD)				
Actuarial (gains) and losses arising from changes in demographic assumptions	(0.5)	-	(1.5)	0.4	(1.6)
Actuarial (gains) and losses arising from changes in financial assumptions	16.8	-	18.3	1.3	36.4
Actuarial (gains) and losses arising from changes in experience adjustments	5.1	-	0.6	0.1	5.8
Remeasurement of the net defined benefit liability	21.4	-	17.4	1.8	40.6
Remeasurement - return on plan assets excluding amount included in interest income	1.0	-	10.5	-	11.5
Asset ceiling recognised in OCI	-	-	2.5	-	2.5
<b>Total</b>	<b>20.4</b>	<b>-</b>	<b>9.4</b>	<b>1.8</b>	<b>31.6</b>

	Year ended March 31, 2014				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In millions of USD)				
Actuarial (gains) and losses arising from changes in demographic assumptions	(1.4)	-	0.2	0.5	(0.7)
Actuarial (gains) and losses arising from changes in financial assumptions	(12.3)	-	3.7	(0.2)	(8.8)
Actuarial (gains) and losses arising from changes in experience adjustments	9.9	-	(0.5)	.	9.4
Remeasurement of the net defined benefit liability	(3.8)	-	3.4	0.3	(0.1)
Remeasurement - return on plan assets excluding amount included in interest income	4.2	-	(1.5)	-	2.7
Asset ceiling recognised in OCI	-	-	-	-	-
<b>Total</b>	<b>(8.0)</b>	<b>-</b>	<b>4.9</b>	<b>0.3</b>	<b>(2.8)</b>

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

	Year ended March 31, 2015		Year ended March 31, 2014		Year ended March 31, 2013	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	8.00%	0.87% - 6.75%	9.00%	2.25% - 7.60%	8.00%	2.25% - 7.00%
Rate of increase in compensation levels of covered employees	6.00% - 7.00%	1.00% - 4.64%	4.00% - 7.00%	1.50% - 4.64%	4.00% - 7.00%	1.50% - 4.64%
Rate of return on plan assets	NA	NA	NA	NA	8.60% - 8.70%	2.25% - 4.70%
Weighted average duration of defined benefit obligations	9 years	12.23 - 31 years	9 years	6.33 - 29.3 years	NA	NA



The expected benefits are based on the same assumptions as are used to measure TCS Limited's defined benefit plan obligations as of March 31, 2015. TCS Limited is expected to contribute \$6.3 million to defined benefit plan obligations funds in fiscal 2016 comprising domestic component of \$2.6 million and foreign component of \$3.7 million.

Remeasurement of defined employee benefit plans in other comprehensive income for the fiscals 2015 and 2014 are \$31.6 million and \$2.8 million, respectively and loss recognised in other comprehensive income for the fiscal 2013 is \$9.4 million.

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 decrease by \$18.6 million (increase by \$17.9 million) as of March 31, 2015.

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by \$10.1 million (decrease by \$9.5 million) as of March 31, 2015.

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 statement of financial position.

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, 2015 as follows:

**Year ending March 31,**

2016  
2017  
2018  
2019  
2020  
Thereafter

<b>Defined benefit obligations</b>	
<b>(In millions of USD)</b>	
	<b>29.1</b>
	<b>22.7</b>
	<b>27.7</b>
	<b>36.4</b>
	<b>39.6</b>
	<b>206.0</b>

**Defined contribution plans**

***Superannuation***

In addition to gratuity benefits, all eligible employees are entitled to benefits under Superannuation, a defined contribution plan. TCS Limited makes monthly contributions until retirement or resignation of the employee. TCS Limited recognises such contributions as an expense when incurred. TCS Limited has no further obligation beyond its monthly contribution.

TCS Limited contributed \$36.3 million, \$31.5 million and \$31.0 million to the Employees' Superannuation Fund in fiscals 2015, 2014 and 2013, respectively.

***Provident fund***

In accordance with Indian law, all eligible employees of Tata Consultancy Services Limited and its subsidiaries are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. Tata Consultancy Services Limited and its subsidiaries in India contribute as specified under the law to the Provident Fund where set up as a trust and to the respective Regional Provident Fund Commissioner. Tata Consultancy Services Limited and its subsidiaries

in India which contributes to the Provident Fund where set up as a trust are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contributions and shortfall, if any, as an expense in the year incurred. 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.

Tata Consultancy Services Limited and its subsidiaries contributed \$99.0 million, \$92.8 million and \$97.9 million to the provident fund in fiscals 2015, 2014 and 2013, respectively.

**Foreign Defined Contribution Plan**

Tata Consultancy Services Limited and its subsidiaries contributed \$116.8 million, \$88.8 million and \$49.8 million in fiscals 2015, 2014 and 2013, respectively, towards foreign defined contribution plan.

**21. Expenses by nature**

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD)</b>			
Employee cost	<b>8,278.8</b>	6,660.8	5,853.2
Fees to external consultants	<b>1,084.5</b>	883.3	695.8
Facility expenses	<b>519.7</b>	456.6	426.6
Cost of equipment and software licences	<b>302.7</b>	242.6	280.5
Travel expenses	<b>392.7</b>	335.6	297.9
Depreciation and amortisation	<b>305.8</b>	217.7	198.2
Communication	<b>172.4</b>	144.0	140.8
Education, recruitment and training	<b>37.6</b>	48.7	44.7
Marketing and sales promotion	<b>68.7</b>	59.1	46.2
Bad debts, provision for trade receivable and advances (net)	<b>29.0</b>	15.6	10.3
Other expenses	<b>535.1</b>	472.3	450.6
<b>Total</b>	<b>11,727.0</b>	9,536.3	8,444.8

Research and development expenditure aggregating \$36.5 million, \$32.7 million and \$29.6 million, incurred during the years ended March 31, 2015, 2014 and 2013, respectively, is included in the above expenses.

Refer note 20 for function wise bifurcation of employee cost.

Transaction cost related to acquisition of subsidiary of \$1.0 million, \$2.2 million and NIL for fiscals 2015, 2014 and 2013, respectively, has been included in other expenses (Refer note 5).

During the year, an amount of \$423.2 million has been recognised in the statement of profit or loss in respect of one-time bonus to eligible employees.

**22. Finance and other income**

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD)</b>			
Interest income on bank balances	<b>197.2</b>	122.7	123.0
Interest on financial assets carried at amortised cost	<b>66.6</b>	100.0	69.8
Rental revenue	<b>3.0</b>	3.0	2.9
Dividend received	<b>1.6</b>	1.5	1.2
<b>Total</b>	<b>268.4</b>	227.2	196.9

### 23. Finance costs (at effective interest rate method)

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
(In millions of USD)			
Interest on bank overdrafts and loans	13.3	5.6	6.5
Other interest expenses	5.3	6.2	6.5
<b>Total</b>	<b>18.6</b>	<b>11.8</b>	<b>13.0</b>

### 24. Other gains, (net)

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
(In millions of USD)			
Net gains on disposal of property, plant and equipment	0.4	0.8	-
Net gains on disposal of investments carried at fair value	33.8	28.2	7.8
Net gains on disposal of investments carried at amortised cost	4.1	0.1	-
Net foreign exchange gains	212.6	6.6	2.5
Others	11.7	13.0	4.5
<b>Total</b>	<b>262.6</b>	<b>48.7</b>	<b>14.8</b>

### 25. Leases

TCS Limited has taken on lease property and equipment under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were \$256.7 million, \$234.3 million and \$214.5 million in fiscals 2015, 2014 and 2013, respectively.

The following is a summary of future minimum lease rental commitments towards non-cancellable operating leases and finance leases:

#### Operating lease

	As of March 31, 2015	As of March 31, 2014
(In millions of USD)		
Within one year of balance sheet date	122.0	117.7
Due in a period between one year and five years	358.5	302.6
Due after five years	224.3	184.3
<b>Total minimum lease commitments</b>	<b>704.8</b>	<b>604.6</b>

#### Finance lease

	As of March 31, 2015		As of March 31, 2014	
	Minimum lease commitments	Present value of minimum lease commitments	Minimum lease commitments	Present value of minimum lease commitments
(In millions of USD)				
Within one year of balance sheet date	11.2	9.2	9.6	7.0
Due in a period between one year and five years	17.5	12.9	20.6	14.5
Due after five years	7.1	5.2	9.3	6.5
<b>Total minimum lease commitments</b>	<b>35.8</b>	<b>27.3</b>	<b>39.5</b>	<b>28.0</b>
Less: Interest	(8.5)		(11.5)	
<b>Present value of minimum lease commitments</b>	<b>27.3</b>		<b>28.0</b>	

**Receivables under sub leases**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Within one year of balance sheet	2.8	3.1
Due in a period between one year and five years	5.8	8.9
Due after five years	-	-
<b>Total</b>	<b>8.6</b>	<b>12.0</b>

Income from sub leases of \$3.0 million, \$3.0 million and \$2.9 million have been recognised in the statement of profit or loss and other comprehensive income for the periods ended March 31, 2015, 2014 and 2013, respectively.

**26. Financial instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3(l) to the consolidated financial statements.

**(a) Financial assets and liabilities**

The carrying value of financial instruments by categories as of March 31, 2015 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
<b>(In millions of USD)</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	-	-	-	-	297.6	297.6
Bank deposits	-	-	-	-	2,697.9	2,697.9
Investments	241.0	26.5	-	-	12.9	280.4
Other financial assets*	-	-	29.7	28.7	745.4	803.8
<b>Total</b>	<b>241.0</b>	<b>26.5</b>	<b>29.7</b>	<b>28.7</b>	<b>3,753.8</b>	<b>4,079.7</b>
<b>Financial liabilities:</b>						
Borrowings	-	-	-	-	57.2	57.2
Other financial liabilities	-	-	-	3.2	292.4	295.6
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.2</b>	<b>349.6</b>	<b>352.8</b>

\*Other financial assets include inter-corporate deposits of \$435.6 million, with original maturity period within 19 months.

The fair value of investments is \$281.0 million.

The carrying value of financial instruments by categories as of March 31, 2014 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
(In millions of USD)						
<b>Financial assets:</b>						
Cash and cash equivalents	-	-	-	-	244.5	244.5
Bank deposits	-	-	-	-	2,406.2	2,406.2
Investments	71.7	9.0	-	-	495.7	576.4
Other financial assets*	-	-	10.3	48.3	802.9	861.5
<b>Total</b>	<b>71.7</b>	<b>9.0</b>	<b>10.3</b>	<b>48.3</b>	<b>3,949.3</b>	<b>4,088.6</b>
<b>Financial liabilities:</b>						
Borrowings	-	-	-	-	49.4	49.4
Other financial liabilities	-	-	-	3.8	279.9	283.7
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.8</b>	<b>329.3</b>	<b>333.1</b>

\*Other financial assets include inter-corporate deposits of \$481.8 million, with original maturity period within 24 months.

The fair value of investments is \$579.0 million.

#### 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 investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a 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 disclosure are required):

#### As of March 31, 2015

	Level 1	Level 2	Level 3	Total
(In millions of USD)				
<b>Financial assets:</b>				
Mutual fund units	241.0	-	-	241.0
Equity shares	0.6	-	25.9	26.5
Corporate debentures and bonds	-	4.0	-	4.0
Government securities	8.9	-	-	8.9
Derivative financial assets	-	58.4	-	58.4
<b>Total</b>	<b>250.5</b>	<b>62.4</b>	<b>25.9</b>	<b>338.8</b>
<b>Financial liabilities:</b>				
Derivative financial liabilities	-	3.2	-	3.2
<b>Total</b>	<b>-</b>	<b>3.2</b>	<b>-</b>	<b>3.2</b>

As of March 31, 2014:

	Level 1	Level 2	Level 3	Total
(In millions of USD)				
<b>Financial assets:</b>				
Mutual fund units	71.7	-	-	71.7
Equity shares	-	-	9.0	9.0
Corporate debentures and bonds	-	489.1	-	489.1
Government securities	6.6	-	-	6.6
Derivative financial assets	-	58.6	-	58.6
<b>Total</b>	<b>78.3</b>	<b>547.7</b>	<b>9.0</b>	<b>635.0</b>
<b>Financial liabilities:</b>				
Derivative financial liabilities	-	3.8	-	3.8
<b>Total</b>	<b>-</b>	<b>3.8</b>	<b>-</b>	<b>3.8</b>

**(b) Derivative financial instruments and hedging activity**

TCS Limited's revenue is denominated in foreign currency predominantly US Dollar, Sterling Pound and Euro. In addition to these currencies, TCS Limited also does business in Australian Dollar, Singapore Dollar, Saudi Arabian Riyal, Danish Kroner and Brazilian Real. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes TCS Limited to currency fluctuations.

TCS Limited monitors and manages the financial risks relating to its operations by analysing its foreign exchange exposures by the level and extent of currency risks.

Tata Consultancy Services Limited and its subsidiaries use various derivative financial instruments governed by policies approved by the board of directors such as foreign exchange forward, option and future contracts to manage and mitigate its exposure to foreign exchange rates. The counterparty is generally a bank. Tata Consultancy Services Limited and its subsidiaries can enter into contracts for a period between one day and eight years.

Tata Consultancy Services Limited and its subsidiaries report quarterly to its risk management committee, an independent body that monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

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

Foreign currency	March 31, 2015		
	No. of contracts	Notional amount of currency option contracts (In millions)	Fair value (In millions of USD)
Sterling Pound	18	297.0	10.7
Australian Dollar	6	97.0	5.0
Euro	9	171.0	14.0

Foreign currency	March 31, 2014		
	No. of contracts	Notional amount of currency option contracts (In millions)	Fair value (In millions of USD)
US Dollar	4	410.0	3.5
Sterling Pound	6	177.0	3.0
Australian Dollar	3	75.0	0.5
Euro	3	120.0	3.3

The movement in accumulated other comprehensive income for the years ended March 31, 2015, 2014 and 2013 for derivatives designated as cash flow hedges is as follows:

	Year ended March 31, 2015		Year ended March 31, 2014		Year ended March 31, 2013	
	Intrinsic value	Time value	Intrinsic value	Time value	Intrinsic value	Time value
<b>(In millions of USD)</b>						
<b>Balance at the beginning of the year</b>	<b>(6.1)</b>	<b>(4.0)</b>	(0.7)	(1.0)	(27.3)	(7.6)
(Gains) / Losses transferred to profit or loss on occurrence of forecasted hedge transaction	<b>(126.0)</b>	<b>71.0</b>	95.0	23.9	14.6	65.9
Deferred tax on (gains) / losses transferred to profit or loss on occurrence of forecasted hedge transaction	<b>14.9</b>	<b>(10.2)</b>	(12.5)	(3.1)	(8.5)	-
Change in the fair value of effective portion of cash flow hedges	<b>146.5</b>	<b>(72.3)</b>	(100.4)	(27.2)	19.1	(59.3)
Deferred tax on fair value of effective portion of cash flow hedges	<b>(18.1)</b>	<b>10.7</b>	12.6	3.4	2.0	-
Amount transferred to non-controlling interests during the year	-	-	(0.1)	-	(0.6)	-
<b>Balance at the end of the year</b>	<b>11.2</b>	<b>(4.8)</b>	<b>(6.1)</b>	<b>(4.0)</b>	<b>(0.7)</b>	<b>(1.0)</b>

In addition to the above cash flow hedges, TCS Limited has outstanding foreign exchange forwards, currency option and futures contracts with notional amounts aggregating \$3,187.9 million and \$2,644.4 million, whose fair value showed a net gain of \$25.5 million and \$44.5 million as of March 31, 2015 and 2014, respectively. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange gain of \$220.9 million, exchange loss of \$15.3 million and exchange gain of \$49.9 million on foreign exchange forward exchange contracts and currency option and futures contracts have been recognised in earnings in fiscals 2015, 2014 and 2013, respectively.

Net gain on derivative instruments of \$20.8 million, recognised in accumulated other comprehensive income as of March 31, 2015, is expected to be reclassified into earnings by March 31, 2016. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2015.

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

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
	<b>(In millions of USD)</b>		
10% Appreciation of the underlying foreign currencies	<b>(7.6)</b>	0.3	(28.0)
10% Depreciation of the underlying foreign currencies	<b>95.7</b>	85.2	148.4

**(c) Financial risk management:**

TCS Limited 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.

**i. 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. (a) Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or 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 risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound, Australian Dollar, Singapore Dollar, Saudi Arabian Riyal, Danish Kroner and Brazilian Real against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

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 statements of financial position which could affect the statements of profit or 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 26(b).

The following table sets forth information relating to foreign currency exposure as of March 31, 2015:

	USD	EUR	GBP	AUD	SGD	DKK	BRL	SAR	Others*
	(In millions of USD)								
Net financial assets	141.2	10.1	16.9	2.4	15.7	15.7	15.2	-	47.1
Net financial liabilities	(359.3)	(15.9)	(2.7)	(2.4)	(0.7)	(0.6)	-	(1.2)	(11.7)

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's profit before tax by approximately \$13.0 million for the year ended March 31, 2015.



The following table sets forth information relating to foreign currency exposure as of March 31, 2014:

	USD	EUR	GBP	AUD	SGD	DKK	BRL	SAR	Others*
	(In millions of USD)								
Net financial assets	110.4	20.2	87.6	4.2	10.1	8.5	15.1	18.3	65.4
Net financial liabilities	(244.0)	(3.9)	(0.8)	(4.5)	-	(0.6)	-	-	(30.6)

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's profit before tax by approximately \$5.5 million for the year ended March 31, 2014.

\*Others include currencies such as South African Rand, Canadian Dollar, Swiss Franc, Norwegian Kroner etc.

**i. (b) 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.

**ii. 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 revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of \$435.6 million are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of \$2,245.1 million held with five Indian banks having high quality credit rating which are individually in excess of 10% or more of the Group's total bank deposits in fiscal 2015. 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 represents the maximum credit exposure. The maximum exposure to credit risk was \$7,930.9 million and \$7,781.3 million as of March 31, 2015 and 2014, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments excluding equity and preference investments.

TCS Limited's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2015 and 2014.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents, financial assets carried at fair value and interest-bearing deposits with corporates are neither past due nor impaired. Cash and cash equivalents with banks and interest-bearing deposits placed with corporates, which have high credit-rating assigned by international and domestic credit-rating agencies. Financial assets carried at fair value substantially include investment in liquid mutual fund units. Trade receivables and other financial assets that are past due but not impaired, there were no indications as of March 31, 2015, that defaults in payment obligations will occur except as described in note 7 and 9 on allowances for impairment of trade receivables and other financial assets, respectively. The Group does not hold any collateral for trade receivables and other financial assets. Trade receivables and other financial assets that are neither past due nor impaired relate to new and existing customers and counterparties with no significant defaults in past.

**Financial assets that are past due but not impaired**

The age wise breakup of the trade receivables, net of allowances that are past due, is given below:

Period (days)	As of March 31, 2015	As of March 31, 2014
(In millions of USD)		
<b>Trade receivables that are neither past due nor impaired</b>	<b>2,110.8</b>	1,993.8
<b>Trade receivables that are past due but not impaired:</b>		
Past due upto 90 days	791.2	697.7
Past due for more than 90 days and upto 180 days	129.1	100.5
Past due for more than 180 days	235.2	243.2
<b>Total trade receivables that are past due but not impaired</b>	<b>1,155.5</b>	1,041.4
<b>Total trade receivables</b>	<b>3,266.3</b>	3,035.2

TCS Limited also has a geographic concentration of credit risk as given below:

	As of March 31, 2015	As of March 31, 2014
(In %)		
United States of America	41.9	38.9
India	16.5	17.5
United Kingdom	15.0	17.1

Geographical concentration of credit risk is allocated based on the location of the customers.

**iii. 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 as and when they fall due.

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

March 31, 2015	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
(In millions of USD)					
<b>Non-derivative financial liabilities:</b>					
Trade and other payables	1,411.3	-	-	-	1,411.3
Borrowings	38.9	6.8	6.1	5.4	57.2
Other financial liabilities	186.6	10.1	94.1	1.6	292.4
<b>Total</b>	<b>1,636.8</b>	<b>16.9</b>	<b>100.2</b>	<b>7.0</b>	<b>1,760.9</b>
<b>Derivative financial liabilities</b>	3.2	-	-	-	3.2
<b>Total</b>	<b>1,640.0</b>	<b>16.9</b>	<b>100.2</b>	<b>7.0</b>	<b>1,764.1</b>

March 31, 2014

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
(In millions of USD)					
<b>Non-derivative financial liabilities:</b>					
Trade and other payables	921.8	-	-	-	921.8
Borrowings	28.2	8.4	6.3	6.5	49.4
Other financial liabilities	207.0	11.9	60.9	0.1	279.9
<b>Total</b>	<b>1,157.0</b>	<b>20.3</b>	<b>67.2</b>	<b>6.6</b>	<b>1,251.1</b>
Derivative financial liabilities	3.8	-	-	-	3.8
<b>Total</b>	<b>1,160.8</b>	<b>20.3</b>	<b>67.2</b>	<b>6.6</b>	<b>1,254.9</b>

## 27. 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. TCS Limited's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Group has identified business segments (industry practice) as reportable segments. Business segments comprise banking, finance and insurance services, manufacturing, retail and consumer packaged goods, telecom, media and entertainment and others such as energy, resources and utilities, Hi-Tech, 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 each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets directly attributable or allocable to segments are disclosed under each reportable segment. All other assets are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Summarised segment information for the years ended March 31, 2015, 2014 and 2013 is as follows:

	Year ended March 31, 2015					
	(In millions of USD)					
	Banking, Financial Services and Insurance	Manufac- turing	Retail and Consumer Packaged Goods	Telecom, media and entertain- ment	Others	Total
Revenue	6,298.1	1,507.7	2,095.0	1,786.1	3,767.5	15,454.4
Segment result	1,747.1	365.5	536.0	456.0	903.6	4,008.2
Depreciation						280.8
Total Unallocable expenses						280.8
Operating profit						3,727.4
Other income (net)						512.4
Profit before taxes						4,239.8
Income tax expense						994.1
Net profit						3,245.7
Depreciation and amortisation	14.1	-	-	-	10.9	25.0
Significant non-cash items (allocable)	4.6	1.3	9.0	1.2	12.9	29.0
Significant non-cash items (unallocable)						0.2
As of March 31, 2015						
Segment assets						
Allocable assets	1,859.1	390.1	524.7	514.9	1,396.3	4,685.1
Unallocable assets						7,314.1
Total assets						11,999.2
Segment liabilities						
Allocable liabilities	414.4	54.5	84.9	88.1	292.0	933.9
Unallocable liabilities						1,734.3
Total liabilities						2,668.2

Year ended March 31, 2014						
(In millions of USD)						
	Banking, Financial Services and Insurance	Manufac- turing	Retail and Consumer Packaged Goods	Telecom, media and entertain- ment	Others	Total
<b>Revenue</b>	5,769.4	1,148.3	1,858.8	1,579.7	3,086.0	13,442.2
<b>Segment result</b>	1,895.6	336.5	601.1	449.4	824.4	4,107.0
Depreciation						201.1
<b>Total Unallocable expenses</b>						201.1
Operating profit						3,905.9
Other income (net)						264.1
Profit before taxes						4,170.0
Income tax expense						996.1
<b>Net profit</b>						3,173.9
Depreciation and amortisation	12.2	-	-	-	4.4	16.6
Significant non-cash items (allocable)	3.1	0.7	(0.2)	4.4	7.6	15.6
<b>As of March 31, 2014</b>						
<b>Segment assets</b>						
Allocable assets	1,979.6	351.9	506.1	519.8	1,335.0	4,692.4
Unallocable assets						6,780.8
<b>Total assets</b>						11,473.2
<b>Segment liabilities</b>						
Allocable liabilities	250.3	27.9	21.8	28.6	203.2	531.8
Unallocable liabilities						1,613.7
<b>Total liabilities</b>						2,145.5

  

Year ended March 31, 2013						
(In millions of USD)						
	Banking, Financial Services and Insurance	Manufac- turing	Retail and Consumer Packaged Goods	Telecom, media and entertain- ment	Others	Total
<b>Revenue</b>	4,985.7	957.9	1,542.9	1,384.5	2,697.4	11,568.4
<b>Segment result</b>	1,478.8	250.3	474.0	356.9	735.7	3,295.7
Depreciation						172.1
<b>Total Unallocable expenses</b>						172.1
Operating profit						3,123.6
Other income (net)						198.7
Profit before taxes						3,322.3
Income tax expense						740.7
<b>Net profit</b>						2,581.6
Depreciation and amortisation	20.9	0.1	0.1	0.2	4.8	26.1
Significant non-cash items (allocable)	1.6	0.5	0.6	3.3	4.3	10.3

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

Information regarding geographical revenue is as follows:

**Geography**

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
<b>(In millions of USD)</b>			
Americas (1)	8,335.8	7,439.6	6,473.4
Europe (2)	4,366.7	3,846.1	3,087.6
India	997.0	903.8	898.5
Others	1,754.9	1,252.7	1,108.9
<b>Total</b>	<b>15,454.4</b>	<b>13,442.2</b>	<b>11,568.4</b>

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

Information regarding geographical non-current assets is as follows:

**Geography**

	As of March 31, 2015	As of March 31, 2014
<b>(In millions of USD)</b>		
Americas (3)	384.7	378.7
Europe (4)	257.2	300.3
India	2,420.0	2,199.4
Others	214.4	138.8
<b>Total</b>	<b>3,276.3</b>	<b>3,017.2</b>

- i. (1) and (3) are substantially related to operations in the United States of America.
- ii. (2) includes revenue from operations in the United Kingdom of \$2,578.9 million, \$2,340.8 million and \$1,976.1 million for the years ended March 31, 2015, 2014 and 2013, respectively.
- iii. (4) includes non-current assets from operations in the United Kingdom of \$99.7 million and \$105.0 million as of March 31, 2015 and 2014, respectively.

**Information about major customers:**

No single customer represents 10% or more of the Group's total revenue in fiscals 2015, 2014 and 2013.

**28. Commitments and contingencies**

Commitments and contingent liabilities are as follows:

**Capital commitments**

As of March 31, 2015, \$300.2 million was contractually committed for purchase of property, plant and equipment.

**Contingencies**
**Direct tax matters**

Refer note 17.

**Indirect tax matters**

Tata Consultancy Services Limited and its subsidiaries in India have ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. As of March 31, 2015, Tata Consultancy Services Limited and its subsidiaries in India have demands on appeal amounting to \$27.2 million from various indirect tax authorities in Indian jurisdiction, which are being contested by the Company and its subsidiaries in India. In respect of indirect tax contingencies of \$1.4 million, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

### Other claims

TCS Limited has examined the social security and tax aspects of contracts with legal entities which provide services to an overseas subsidiary and, based on legal opinion, concludes that the subsidiary is in compliance with the related statutory requirements.

As of March 31, 2015, claims aggregating \$30.6 million against the Group (individually insignificant) have not been acknowledged as debts.

## 29 List of direct and indirect subsidiaries, place of incorporation and percentage of voting power

Name of the Company	Country of incorporation	% of voting power as at March 31, 2015	% of voting power as at March 31, 2014
<b>Subsidiaries (held directly)</b>			
APOnline 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 (merged w.e.f. March 27, 2015)	India	-	100.00
Tata Consultancy Services Morocco SARL AU (w.e.f. August 7, 2014)	Morocco	-	100.00
Tata Consultancy Services (Africa) (PTY) Ltd. (w.e.f. September 16, 2014)	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. (w.e.f. February 18, 2015)	USA	-	100.00
TCS e-Serve International Limited	India	100.00	100.00
TCS Foundation (w.e.f. March 25, 2015)	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 5)	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

Name of the Company	Country of incorporation	% of voting power as at March 31, 2015	% of voting power as at March 31, 2014
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
TATA SOLUTION 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. (w.e.f. March 23, 2015)	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 S.A.S.	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 CIV Investments Corporation	USA	100.00	100.00
CMC eBiz Inc.	USA	100.00	100.00
Nippon TCS Solution Center Limited (w.e.f. July 1, 2014)	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.	France	100.00	100.00
Planaxis Technologies Inc.	Canada	100.00	100.00
Alti HR S.A.S.	France	100.00	100.00
Alti Infrastructures Systemes & Reseaux S.A.S.	France	100.00	100.00
Alti NV	Belgium	100.00	100.00
Tescom (France) Software Systems Testing S.A.R.L.	France	100.00	100.00
Alti Switzerland S.A.	Switzerland	100.00	100.00
Teamlink	Belgium	100.00	100.00

There are no non-wholly owned subsidiaries that have material non-controlling interests.

On September 16, 2014, the Company acquired the remaining 40% equity shares of Tata Consultancy Services (Africa) (PTY) Ltd. for a cash consideration of \$10.0 million.

On March 25, 2015 the Company subscribed to 100% Share Capital of TCS Foundation, a not-for-profit initiative registered under Section 8 of the Indian 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.

### 30. Related party transactions

Tata Consultancy Services Limited's principal related parties consist of its holding company Tata Sons Limited and its subsidiaries, its own subsidiaries, affiliates and its key managerial personnel. TCS Limited routinely enters into transactions with its related parties in the ordinary course of business.

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



Transactions with related parties are as follows:

	Year ended March 31, 2015				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	With other related parties	Total
	(In millions of USD)				
Revenue from sale of services and licences	0.5	39.5	325.0	-	365.0
Interest income	8.1	4.9	3.7	-	16.7
Purchases of goods and services (including reimbursement)	0.1	43.8	65.6	-	109.5
Brand equity contribution	20.1	-	-	-	20.1
Dividend paid	1,767.3	2.1	-	0.1	1,769.5
Purchase of property, plant and equipment	-	10.8	14.8	-	25.6
Inter-corporate deposits realisation	-	63.4	16.6	-	80.0
Contribution to employees post employment benefit plans	-	-	-	192.0	192.0
Interest expense	4.7	-	-	-	4.7
Allowances / (write back) for doubtful accounts receivables and advances (net)	-	0.1	0.2	-	0.3
Rent expense	0.2	0.6	4.8	-	5.6
Loans and advances recovered	-	-	0.3	-	0.3
Purchase of investments	-	1,204.8	-	-	1,204.8
Redemption of investments	4.9	1,092.7	0.5	-	1,098.1

	Year ended March 31, 2014				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	With other related parties	Total
	(In millions of USD)				
Revenue from sale of services and licences	0.3	32.2	226.7	-	259.2
Interest income	20.8	9.1	8.3	-	38.2
Purchases of goods and services (including reimbursement)	0.2	43.0	56.5	-	99.7
Brand equity contribution	19.4	-	-	-	19.4
Dividend paid	593.0	1.1	-	-	594.1
Purchase of property, plant and equipment	-	6.6	20.7	-	27.3
Inter-corporate deposits placed	-	55.8	-	-	55.8
Inter-corporate deposits realisation	-	0.8	-	-	0.8
Contribution to employees post employment benefit plans	-	-	-	130.5	130.5
Interest expense	4.8	-	-	-	4.8
Allowances / (write back) for doubtful accounts receivables and advances (net)	-	0.1	-	-	0.1
Rent expense	0.1	0.7	0.7	-	1.5
Loans and advances given	-	-	2.1	-	2.1
Loans and advances recovered	-	-	0.8	-	0.8
Purchase of investments	-	4.0	-	-	4.0
Redemption of investments	79.7	-	-	-	79.7
Preference shares redeemed	16.6	-	-	-	16.6

Year ended March 31, 2013				
With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	With other related parties	Total

(In millions of USD)

Revenue from sale of services and licences	0.1	90.3	37.5	-	127.9
Other income	-	0.1	-	-	0.1
Interest income	18.0	6.8	2.8	-	27.6
Purchases of goods and services (including reimbursement)	0.1	66.8	36.8	-	103.7
Contribution to employees post employment benefit plans	-	-	-	98.9	98.9
Brand equity contribution	20.1	-	-	-	20.1
Dividend paid	661.6	0.9	-	-	662.5
Purchase of property, plant and equipment	-	10.6	12.3	-	22.9
Inter-corporate deposits placed	-	34.0	9.2	-	43.2
Inter-corporate deposits realisation	-	51.2	9.2	-	60.4
Interest expense	3.5	-	-	-	3.5
Bad debts written off	-	0.1	0.2	-	0.3
(Write back) / allowances for doubtful accounts receivables and advances (net)	-	-	(0.1)	-	(0.1)
Rent expense	0.2	0.8	0.8	-	1.8
Loans and advances recovered	-	0.6	-	-	0.6
Purchase of investments	29.4	-	-	-	29.4
Guarantee	-	-	0.1	-	0.1
Redemption of investment	61.8	0.9	-	-	62.7

Balances receivable from related parties are as follows:

As of March 31, 2015			
With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	Total

(In millions of USD)

Trade receivables and unbilled revenue (net)	0.2	18.6	106.2	125.0
Loans, advances and deposits	0.4	0.1	1.7	2.2
Investments	-	108.1	-	108.1
<b>Total</b>	<b>0.6</b>	<b>126.8</b>	<b>107.9</b>	<b>235.3</b>

As of March 31, 2014				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	Total
(In millions of USD)				
Trade receivables and unbilled revenue (net)	0.2	13.9	89.4	103.5
Loans, advances and deposits	12.2	75.7	26.8	114.7
Investments	182.9	48.6	71.7	303.2
<b>Total</b>	<b>195.3</b>	<b>138.2</b>	<b>187.9</b>	<b>521.4</b>

Balances payable to related parties are as follows:

As of March 31, 2015				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	Total
(In millions of USD)				
Trade payables, unearned and deferred revenue, Other financial liabilities and Other liabilities	18.2	5.7	15.3	39.2
<b>Total</b>	<b>18.2</b>	<b>5.7</b>	<b>15.3</b>	<b>39.2</b>
Commitments	-	8.1	15.2	23.3

As of March 31, 2014				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	Total
(In millions of USD)				
Trade payables, unearned and deferred revenue, Other financial liabilities and Other liabilities	18.0	2.5	16.8	37.3
Interest payable on preference shares	4.8	-	-	4.8
<b>Total</b>	<b>22.8</b>	<b>2.5</b>	<b>16.8</b>	<b>42.1</b>
Commitments	-	6.7	27.1	33.8

Compensation of key management personnel is as follows:

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
(In millions of USD)			
Short-term benefits	3.8	3.3	2.9
Post-employment benefits	0.3	0.1	0.1
Dividend paid during the year	0.1	-	0.1
<b>Total</b>	<b>4.2</b>	<b>3.4</b>	<b>3.1</b>

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

### 31. Dividends

Dividends paid during fiscal 2015 include an amount of \$0.33 (₹20) per equity share towards final dividend for fiscal 2014 and an amount of \$0.91 (₹55) per equity share towards interim dividend for fiscal 2015. Dividends paid during fiscal 2014 include an amount of \$0.21 (₹13) per equity share towards final dividend for fiscal 2013 and an amount of \$0.20 (₹12) per equity share towards interim dividend for fiscal 2014.

The dividends declared by Tata Consultancy Services Limited are in Indian Rupees and are based on the profits available for distribution as reported in the unconsolidated statutory financial statements of Tata Consultancy Services Limited prepared in accordance with Indian GAAP. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2015, 2014 and 2013, income (net of dividend tax) available for distribution were \$6,601.5 million (₹403,958.3 million), \$6,469.9 million (₹394,337.4 million) and \$5,186.3 million (₹282,494.2 million), respectively. Subsequent to March 31, 2015, the Board of Directors of Tata Consultancy Services Limited have proposed a final dividend of \$0.38 (₹24) per share in respect of fiscal 2015. 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 \$903.8 million, inclusive of corporate dividend tax of \$150.6 million. Remittance of dividend within India is exempt from tax in the hands of shareholders.





**TATA CONSULTANCY SERVICES**

Experience certainty.

IT Services  
Business Solutions  
Consulting

Tata Consultancy Services Limited  
9th Floor Nirmal Building Nariman Point Mumbai 400 021  
[www.tcs.com](http://www.tcs.com)