Consolidated Balance Sheet

(₹ crores)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**10,216**	10,057
(b) Capital work-in-progress		**1,278**	1,541
(c) Intangible assets	5	**12**	47
(d) Goodwill	6	**1,745**	1,597
(e) Financial assets			
(i) Investments	7(A)	**301**	344
(ii) Trade receivables	13(A)	**94**	67
(iii) Unbilled revenue		**227**	143
(iv) Loans	8(A)	**1,975**	9
(v) Other financial assets	9(A)	**691**	825
(f) Income tax assets (net)		**4,131**	4,789
(g) Deferred tax assets (net)	10	**3,449**	2,828
(h) Other assets	11(A)	**953**	689
Total non-current assets		**25,072**	22,936
Current assets			
(a) Inventories	12	**26**	21
(b) Financial assets			
(i) Investments	7(B)	**35,707**	41,636
(ii) Trade receivables	13(B)	**24,943**	22,617
(iii) Unbilled revenue		**6,686**	5,208
(iv) Cash and cash equivalents	14	**4,883**	3,597
(v) Other balances with banks	15	**2,278**	552
(vi) Loans	8(B)	**3,205**	2,909
(vii) Other financial assets	9(B)	**875**	1,474
(c) Income tax assets (net)		**37**	26
(d) Other assets	11(B)	**2,584**	2,276
Total current assets		**81,224**	80,316
TOTAL ASSETS		**106,296**	103,252
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	16	**191**	197
(b) Other equity	17	**84,937**	86,017
Equity attributable to shareholders of the Company		**85,128**	86,214
Non-controlling interests		**402**	366
Total Equity		**85,530**	86,580
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18(A)	**54**	71
(ii) Other financial liabilities	19(A)	**503**	454
(b) Unearned and deferred revenue		**503**	-
(c) Employee benefit obligations	24(A)	**290**	245
(d) Provisions	20(A)	**26**	39
(e) Deferred tax liabilities (net)	10	**1,170**	919
(f) Other liabilities	21(A)	**392**	432
Total non-current liabilities		**2,938**	2,160
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18(B)	**181**	200
(ii) Trade payables		**5,094**	4,905
(iii) Other financial liabilities	19(B)	**3,913**	2,924
(b) Unearned and deferred revenue		**2,032**	1,398
(c) Income tax liabilities(net)		**1,421**	1,412
(d) Employee benefit obligations	24(B)	**2,018**	1,862
(e) Provisions	20(B)	**240**	66
(f) Other liabilities	21(B)	**2,929**	1,745
Total current liabilities		**17,828**	14,512
TOTAL EQUITY AND LIABILITIES		**106,296**	103,252
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-35		

As per our report of even date attached

For and on behalf of the Board

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 19, 2018

N. Chandrasekaran
Chairman

V. Ramakrishnan
CFO

Dr. Ron Sommer
Director

Aarthi Subramanian
Director

Rajesh Gopinathan
CEO and Managing Director

O. P. Bhatt
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
Director

N. Ganpathy Subramaniam
COO and Executive Director

Aman Mehta
Director

Dr. Pradeep Kumar Khosla
Director

Rajendra Moholkar
Company Secretary

Consolidated Statements of Profit and Loss

(₹ crores)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
I. Revenue from operations	22	**123,104**	117,966
II. Other income (net)	23	**3,642**	4,221
III. TOTAL INCOME		**126,746**	122,187
IV. **Expenses**			
(a) Employee benefit expenses	24	**66,396**	61,621
(b) Cost of equipment and software licences	26	**2,700**	2,808
(c) Other operating expenses	25	**21,492**	21,226
(d) Finance costs		**52**	32
(e) Depreciation and amortisation expense		**2,014**	1,987
TOTAL EXPENSES		**92,654**	87,674
V. PROFIT BEFORE TAX		**34,092**	34,513
VI. **Tax expense**			
(a) Current tax	10	**8,265**	8,235
(b) Deferred tax	10	**(53)**	(79)
TOTAL TAX EXPENSE		**8,212**	8,156
VII. PROFIT FOR THE YEAR		**25,880**	26,357
VIII. OTHER COMPREHENSIVE (LOSSES) / INCOME			
(A) (i) **Items that will be reclassified subsequently to profit and loss**			
(a) Net change in fair values of investments other than equity shares carried at fair value through OCI		**(821)**	740
(b) Net change in intrinsic value of derivatives designated as cash flow hedges		**(122)**	41
(c) Net change in time value of derivatives designated as cash flow hedges		**(59)**	3
(d) Exchange differences on translation of financial statements of foreign operations		**552**	(474)
(ii) **Income tax on items that will be reclassified subsequently to profit and loss**		**305**	(261)
(B) (i) **Items that will not be reclassified subsequently to profit and loss**			
(a) Remeasurement of defined employee benefit plans		**106**	(208)
(b) Net change in fair values of investments in equity shares carried at fair value through OCI		**(84)**	(20)
(ii) **Income tax on items that will not be reclassified subsequently to profit and loss**		**(5)**	2
TOTAL OTHER COMPREHENSIVE (LOSSES) / INCOME		**(128)**	(177)
IX. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**25,752**	26,180
Profit for the year attributable to:			
Shareholders of the Company		**25,826**	26,289
Non-controlling interests		**54**	68
		25,880	26,357
Total comprehensive income for the year attributable to:			
Shareholders of the Company		**25,682**	26,117
Non-controlling interests		**70**	63
		25,752	26,180
X. **Earnings per equity share:- Basic and diluted (₹)**	30	**134.19**	133.41
Weighted average number of equity shares		**192,45,92,806**	197,04,27,941
XI. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-35		

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 19, 2018

For and on behalf of the Board

N. Chandrasekaran
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COO and Executive Director

Aman Mehta
Director

Dr. Pradeep Kumar Khosla
Director

Rajendra Moholkar
Company Secretary

Consolidated Statements of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crores)

Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
197	-	197

(₹ crores)

Balance as at April 1, 2017	**Changes in equity share capital during the year***	**Balance as at March 31, 2018**
197	**(6)**	**191**

B. OTHER EQUITY

(₹ crores)

	Reserves and surplus							Items of other comprehensive income				Equity attributable to shareholders of the Company	Non-controlling interests	Total Equity
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Statutory reserve	Investment revaluation reserve	Cash flow hedging reserve: Intrinsic value	Cash flow hedging reserve: Time value	Foreign currency translation reserve			
Balance as at April 1, 2016	75	1,919	523	10,549	-	56,113	185	54	68	(19)	1,408	70,875	355	71,230
Profit for the year	-	-	-	-	-	26,289	-	-	-	-	-	26,289	68	26,357
Other comprehensive income	-	-	-	-	-	(206)	-	464	37	2	(469)	(172)	(5)	(177)
Total comprehensive income	-	-	-	-	-	26,083	-	464	37	2	(469)	26,117	63	26,180
Dividend (including tax on dividend of ₹ 1,788 crores)	-	-	-	-	-	(10,947)	-	-	-	-	-	(10,947)	(26)	(10,973)
Transfer to reserves	-	-	-	-	-	(33)	33	-	-	-	-	-	-	-
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	(20)	-	20	-	-	-	-	-	-
Purchase of non-controlling interests	-	-	-	-	-	(28)	-	-	-	-	-	(28)	(26)	(54)
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	376	(376)	-	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(279)	279	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	75	1,919	523	10,549	97	71,071	218	538	105	(17)	939	86,017	366	86,383
Balance as at April 1, 2017	**75**	**1,919**	**523**	**10,549**	**97**	**71,071**	**218**	**538**	**105**	**(17)**	**939**	**86,017**	**366**	**86,383**
Profit for the year	-	-	-	-	-	25,826	-	-	-	-	-	25,826	54	25,880
Other comprehensive income	-	-	-	-	-	102	-	(622)	(107)	(52)	535	(144)	16	(128)
Total comprehensive income	-	-	-	-	-	25,928	-	(622)	(107)	(52)	535	25,682	70	25,752
Dividend (including tax on dividend of ₹ 1,444 crores)	-	-	-	-	-	(10,726)	-	-	-	-	-	(10,726)	(34)	(10,760)
Transfer to reserves	-	-	-	(8)	-	(32)	40	-	-	-	-	-	-	-
Buy-back of equity shares*	-	(1,919)	6	(9,118)	-	(4,963)	-	-	-	-	-	(15,994)	-	(15,994)
Expenses for buy-back of equity shares*	-	-	-	-	-	(42)	-	-	-	-	-	(42)	-	(42)
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	1,579	(1,579)	-	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(98)	98	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	**75**	**-**	**529**	**1,423**	**1,578**	**79,755**	**258**	**(84)**	**(2)**	**(69)**	**1,474**	**84,937**	**402**	**85,339**

*Refer note 16.

Total equity (primarily retained earnings) includes ₹ 777 crores (March 31, 2017: ₹ 605 crores) pertaining to trusts and TCS Foundation held for specified purposes.

C. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-35

As per our report of even date attached

For and on behalf of the Board

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 19, 2018

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Chairman

Rajesh Gopinathan
CEO and Managing Director

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Director

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Director

Prof. Clayton M. Christensen
Director

Rajendra Moholkar
Company Secretary

Consolidated Statements of Cash Flows

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**25,880**	26,357
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	**2,014**	1,987
Net gain on disposal of property, plant and equipment	**(25)**	(3)
Tax expense	**8,212**	8,156
Net gain on investments	**(906)**	(642)
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**206**	125
Finance costs	**52**	32
Interest income	**(2,445)**	(2,263)
Dividend income	**(9)**	(1)
Unrealised foreign exchange (gain) / loss	**(94)**	52
Operating profit before working capital changes	**32,885**	33,800
Net change in		
Trade receivables	**(1,833)**	680
Unbilled revenue	**(1,441)**	(1,539)
Loans and other financial assets	**388**	580
Other assets and inventories	**(464)**	(142)
Trade payables	**(346)**	(201)
Unearned and deferred revenue	**1,104**	80
Other financial liabilities	**1,003**	(533)
Other liabilities and provisions	**1,380**	444
Cash generated from operations	**32,676**	33,169
Taxes paid (net of refunds)	**(7,609)**	(7,946)
Net cash provided by operating activities	**25,067**	25,223
II. CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	**(2,057)**	(2)
Inter-corporate deposits placed	**(6,915)**	(2,299)
Purchase of investments*	**(97,473)**	(121,423)
Payment for purchase of property, plant and equipment	**(1,862)**	(1,989)
Purchase of intangible assets	**-**	(1)
Earmarked deposits placed with banks	**(231)**	-
Proceeds from bank deposits	**431**	40
Proceeds from inter-corporate deposits	**4,685**	3,918
Proceeds from disposal / redemption of investments*	**103,482**	102,798
Proceeds from disposal of property, plant and equipment	**58**	36
Proceeds from disposal of intangible assets	**-**	1
Proceeds from earmarked deposits with banks	**136**	400
Dividend received	**9**	1
Interest received	**2,623**	1,788
Net cash provided by / (used in) investing activities	**2,886**	(16,732)
III. CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of equity shares	**(16,000)**	-
Expenses for buy-back of equity shares	**(42)**	-
Short-term borrowings (net)	**(19)**	87
Dividend paid (including tax on dividend)	**(10,726)**	(10,947)
Dividend paid to non-controlling interests (including tax on dividend)	**(34)**	(26)
Purchase of non-controlling interests	**-**	(54)
Repayment of finance lease obligations	**(24)**	(66)
Interest paid	**(40)**	(20)
Net cash used in financing activities	**(26,885)**	(11,026)
Net change in cash and cash equivalents	**1,068**	(2,535)
Cash and cash equivalents at the beginning of the year	**3,597**	6,295
Exchange difference on translation of foreign currency cash and cash equivalents	**218**	(163)
Cash and cash equivalents at the end of the year (Refer note 14)	**4,883**	3,597

*Purchase of investments include ₹ 709 crores (March 31, 2017: ₹ 890 crores) and proceeds from disposal / redemption of investments include ₹ 1,182 crores (March 31, 2017: ₹ 726 crores) held by TCS Foundation, formed for conducting corporate social responsibility activities of the Group.

IV. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-35

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 19, 2018

For and on behalf of the Board

N. Chandrasekaran
Chairman

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Director

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Director

Rajendra Moholkar
Company Secretary

Notes forming part of the Consolidated Financial Statements

1) Corporate information

Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively together with the employee welfare trusts referred to as "the Group") provide consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of delivery centres around the globe. The Group's full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Consulting, Digital Enterprise Services, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON - Small and Medium Businesses, IT Infrastructure Services, IT 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 at March 31, 2018, Tata Sons Limited, the holding company owned 71.89% of the Company's equity share capital.

The consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on April 19, 2018.

2) Significant accounting policies

(a) Statement of compliance

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

(b) Basis of preparation

These consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(c) Basis of consolidation

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

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 shareholders of the Company.

(d) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

(e) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of consolidated financial statements, 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, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Impairment of goodwill

The Group estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 2(k).

Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2(l).

(f) Revenue recognition

The Group earns revenue primarily from providing information technology, business solutions and consultancy services through development and maintenance of IT applications and infrastructure, implementation of enterprise solutions, business process services, assurance services, engineering and industrial services using its own products, framework of solutions and third party products.

Notes forming part of the Consolidated Financial Statements

The Group recognises revenue as follows:

Contracts are unbundled into separately identifiable components and the consideration is allocated to those identifiable components on the basis of their relative fair values. Revenue is recognised for respective components either at the point in time or over time, as applicable.

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 balance sheet; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the balance sheet.

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 the Group 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 and indirect taxes.

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

(h) 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 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

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation.

(i) Cost recognition

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

The costs of the Group are broadly categorised into employee benefit expenses, cost of equipment and software licences, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

(j) Foreign currency

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

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 balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

(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 statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

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

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

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

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

Deferred income taxes

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

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

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

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Deferred tax assets include Minimum 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 balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(l) Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Hedge accounting

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

The Group uses hedging instruments that are governed by the policies of the Company and its subsidiaries which are approved by their respective Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company and its subsidiaries.

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

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

The Group separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and 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 value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Buildings	Straight line	20 years
Leasehold improvements	Straight line	Lease term
Plant and equipment	Straight line	10 years
Computer equipment	Straight line	4 years
Vehicles	Straight line	4 years
Office equipment	Straight line	5 years
Electrical installations	Straight line	10 years
Furniture and fixtures	Straight line	5 years

Assets held under finance lease 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.

(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 as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis.

Notes forming part of the Consolidated Financial Statements

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

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

(o) Impairment

(i) Financial assets (other than at fair value)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

(a) 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 statement of profit and loss.

(b) 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 on a pro-rata basis of the carrying amount of each asset in the unit.

(p) Employee benefits

(i) Defined benefit plans

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

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

(ii) Defined contribution plans

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

Notes forming part of the Consolidated Financial Statements

(iii) Compensated absences

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

(q) Inventories

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

(r) Earnings per share

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

3) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115	Revenue from Contracts with Customers
Ind AS 21	The Effect of Changes in Foreign Exchange Rates

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts when it becomes effective.

The core principle of Ind AS 115 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 Ind AS 115, 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.

The Group has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this transition method, cumulative effect of initially applying Ind AS 115 is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Group does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

Notes forming part of the Consolidated Financial Statements

4) Property, plant and equipment

Property, plant and equipment consist of the following:

(₹ crores)

	Freehold land	Buildings	Leasehold Improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as at April 1, 2017	**348**	**6,708**	**1,973**	**395**	**6,082**	**32**	**2,112**	**1,722**	**1,519**	**20,891**
Additions	**-**	**394**	**344**	**105**	**852**	**3**	**159**	**129**	**150**	**2,136**
Disposals	**-**	**-**	**(77)**	**(1)**	**(215)**	**(1)**	**(56)**	**(22)**	**(39)**	**(411)**
Translation exchange difference	**-**	**-**	**17**	**2**	**67**	**-**	**6**	**2**	**10**	**104**
Cost as at March 31, 2018	**348**	**7,102**	**2,257**	**501**	**6,786**	**34**	**2,221**	**1,831**	**1,640**	**22,720**
Accumulated depreciation as at April 1, 2017	**-**	**(1,467)**	**(1,143)**	**(75)**	**(4,630)**	**(24)**	**(1,518)**	**(871)**	**(1,106)**	**(10,834)**
Disposals	**-**	**2**	**73**	**1**	**202**	**1**	**54**	**19**	**27**	**379**
Depreciation for the year	**-**	**(356)**	**(202)**	**(46)**	**(819)**	**(5)**	**(251)**	**(150)**	**(148)**	**(1,977)**
Translation exchange difference	**-**	**-**	**(11)**	**(2)**	**(45)**	**-**	**(5)**	**(2)**	**(7)**	**(72)**
Accumulated depreciation as at March 31, 2018	**-**	**(1,821)**	**(1,283)**	**(122)**	**(5,292)**	**(28)**	**(1,720)**	**(1,004)**	**(1,234)**	**(12,504)**
Net carrying amount as at March 31, 2018	**348**	**5,281**	**974**	**379**	**1,494**	**6**	**501**	**827**	**406**	**10,216**

(₹ crores)

	Freehold land	Buildings	Leasehold Improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as at April 1, 2016	348	6,119	1,840	322	5,591	32	2,004	1,620	1,432	19,308
Additions	-	598	183	73	835	2	136	113	123	2,063
Disposals	-	(7)	(32)	-	(283)	(2)	(20)	(6)	(20)	(370)
Translation exchange difference	-	(2)	(18)	-	(61)	-	(8)	(5)	(16)	(110)
Cost as at March 31, 2017	348	6,708	1,973	395	6,082	32	2,112	1,722	1,519	20,891
Accumulated depreciation as at April 1, 2016	-	(1,139)	(977)	(40)	(4,155)	(21)	(1,284)	(732)	(989)	(9,337)
Disposals	-	5	18	-	269	2	18	5	20	337
Depreciation for the year	-	(334)	(194)	(35)	(788)	(5)	(257)	(147)	(146)	(1,906)
Translation exchange difference	-	1	10	-	44	-	5	3	9	72
Accumulated depreciation as at March 31, 2017	-	(1,467)	(1,143)	(75)	(4,630)	(24)	(1,518)	(871)	(1,106)	(10,834)
Net carrying amount as at March 31, 2017	348	5,241	830	320	1,452	8	594	851	413	10,057

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

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Leasehold improvements	**33**	40
Computer equipment	**5**	16
Office equipment	**1**	2
Furniture and fixtures	**1**	2
Leased assets	**40**	60

Notes forming part of the Consolidated Financial Statements

5) Intangible assets

Intangible assets consist of the following:

(₹ crores)

	Acquired contract rights	Rights under licensing agreement and software licences	Customer - related intangibles	Total
Cost as at April 1, 2017	**339**	**80**	**81**	**500**
Translation exchange difference	**30**	**-**	**8**	**38**
Cost as at March 31, 2018	**369**	**80**	**89**	**538**
Accumulated amortisation as at April 1, 2017	**(311)**	**(61)**	**(81)**	**(453)**
Amortisation for the year	**(30)**	**(7)**	**-**	**(37)**
Translation exchange difference	**(28)**	**-**	**(8)**	**(36)**
Accumulated amortisation as at March 31, 2018	**(369)**	**(68)**	**(89)**	**(526)**
Net carrying amount as at March 31, 2018	**-**	**12**	**-**	**12**

(₹ crores)

	Acquired contract rights	Rights under licensing agreement and software licences	Customer - related intangibles	Total
Cost as at April 1, 2016	379	144	86	609
Additions	-	1	-	1
Disposals / derecognised	-	(63)	-	(63)
Translation exchange difference	(40)	(2)	(5)	(47)
Cost as at March 31, 2017	339	80	81	500
Accumulated amortisation as at April 1, 2016	(281)	(116)	(78)	(475)
Disposals / derecognised	-	62	-	62
Amortisation for the year	(65)	(8)	(8)	(81)
Translation exchange difference	35	1	5	41
Accumulated amortisation as at March 31, 2017	(311)	(61)	(81)	(453)
Net carrying amount as at March 31, 2017	28	19	-	47

The estimated amortisation for each of the two fiscal years subsequent to March 31, 2018 is as follows:

(₹ crores)

Year ending March 31,	**Amortisation expense**
2019	**7**
2020	**5**
Thereafter	**-**
	12

Notes forming part of the Consolidated Financial Statements

6) Goodwill

Goodwill consist of the following:

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	**1,597**	1,669
Foreign currency exchange gain / (loss)	**148**	(72)
Balance at the end of the year	**1,745**	1,597

The Group tests goodwill annually for impairment.

Goodwill of ₹ 618 crores (March 31, 2017: ₹ 531 crores) has been allocated to the TCS business in France. The estimated value-in-use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 10.77%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on 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 ₹ 1,127 crores (March 31, 2017: ₹ 1,066 crores) (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.

7) Investments

Investments consist of the following:

(A) Investments - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Investments carried at fair value through profit or loss		
Mutual fund units (unquoted)	**59**	55
(b) Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)		
Mozido LLC	**65**	65
FCM LLC	**49**	49
Taj Air Limited	**19**	19
Philippine Dealing System Holdings Corporation	**6**	5
KOOH Sports Private Limited	**3**	3
Less: Impairment in value of investments	**(84)**	-
(c) Investments carried at amortised cost		
Government securities (quoted)*	**168**	132
Corporate debentures and bonds (unquoted)*	**16**	16
	301	344
Market value of quoted investments carried at amortised cost		
Government securities	**176**	145

*Pertains to trusts held for specified purposes.

Notes forming part of the Consolidated Financial Statements

(B) Investments - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Investments carried at fair value through profit or loss		
Mutual fund units (unquoted)*	**9,735**	19,637
(b) Investments carried at fair value through OCI		
Government securities (quoted)	**25,217**	21,999
Corporate debentures and bonds (unquoted)	**755**	-
	35,707	41,636

The market value of quoted investments is equal to the carrying value.

*Includes ₹ 42 crores (March 31, 2017: ₹ 500 crores) pertaining to trusts and TCS Foundation held for specified purposes.

8) Loans

Loans (unsecured) consist of the following:

(A) Loans - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Considered good		
Loans and advances to employees	**3**	**6**
Inter-corporate deposits	**1,972**	**3**
	1,975	**9**

(B) Loans - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Considered good		
Loans and advances to employees	**380**	344
Inter-corporate deposits	**2,825**	2,565
(b) Considered doubtful		
Loans and advances to employees	**63**	57
Less: Allowance on loans and advances to employees	**(63)**	(57)
	3,205	2,909

Inter-corporate deposits placed with financial institutions yield fixed interest rate.

Inter-corporate deposits include ₹ 619 crores (March 31, 2017: ₹ 13 crores) for the year ended March 31, 2018 pertaining to trusts and TCS Foundation held for specified purposes.

Notes forming part of the Consolidated Financial Statements

9) Other financial assets

Other financial assets consist of the following:

(A) Other financial assets - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Security deposits	683	816
(b) Earmarked balances with banks	1	1
(c) Interest receivable	3	-
(d) Others	4	8
	691	825

(B) Other financial assets - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Security deposits	217	147
(b) Fair value of foreign exchange derivative assets	89	572
(c) Interest receivable	534	715
(d) Others	35	40
	875	1,474

10) Income taxes

The income tax expense consists of the following:

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax expense for current year	8,493	8,341
Current tax benefit pertaining to prior years	(228)	(106)
	8,265	8,235
Deferred tax benefit	(57)	(11)
Deferred tax expense / (benefit) pertaining to prior years	4	(68)
	(53)	(79)
Total income tax expense recognised in current year	8,212	8,156

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before taxes	**34,092**	34,513
Indian statutory income tax rate	**34.61%**	34.61%
Expected income tax expense	**11,799**	11,945
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	**(4,389)**	(4,175)
Income exempt from tax	**(194)**	(167)
Undistributed earnings in branches and subsidiaries	**486**	195
Tax on income at different rates	**472**	101
Tax pertaining to prior years	**(224)**	(174)
Others (net)	**262**	431
Total income tax expense	**8,212**	8,156

Tata Consultancy Services Limited benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profits or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions. From April 1, 2011 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, 2018 are as follows:

(₹ crores)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Acquisitions / disposals	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	(106)	145	-	-	4	43
Provision for employee benefits	389	8	(5)	-	3	395
Cash flow hedges	(12)	-	22	-	-	10
Receivables, financial assets at amortised cost	220	81	-	-	-	301
MAT credit entitlement	2,084	133	-	-	-	2,217
Branch profit tax	(286)	(114)	-	-	-	(400)
Undistributed earnings of subsidiaries	(509)	(96)	-	-	-	(605)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(285)	-	283	-	-	(2)
Operating lease liabilities	90	(5)	-	-	-	85
Others	324	(99)	-	-	10	235
Total deferred tax assets / (liabilities)	**1,909**	**53**	**300**	**-**	**17**	**2,279**

Notes forming part of the Consolidated Financial Statements

Gross deferred tax assets and liabilities are as follows:

(₹ crores)

As at March 31, 2018	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	175	132	43
Provision for employee benefits	402	7	395
Cash flow hedges	10	-	10
Receivables, financial assets at amortised cost	300	(1)	301
MAT credit entitlement	2,217	-	2,217
Branch profit tax	-	400	(400)
Undistributed earnings of subsidiaries	-	605	(605)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	-	2	(2)
Operating lease liabilities	85	-	85
Others	260	25	235
Total deferred tax assets / (liabilities)	**3,449**	**1,170**	**2,279**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

(₹ crores)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Acquisitions / disposals	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	(62)	(39)	-	-	(5)	(106)
Provision for employee benefits	327	63	2	-	(3)	389
Cash flow hedges	(7)	-	(5)	-	-	(12)
Deferred revenue	-	-	-	-	-	-
Receivables, financial assets at amortised cost	190	30	-	-	-	220
MAT credit entitlement	1,987	97	-	-	-	2,084
Branch profit tax	(346)	60	-	-	-	(286)
Undistributed earnings of subsidiaries	(342)	(167)	-	-	-	(509)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(28)	-	(256)	-	(1)	(285)
Operating lease liabilities	94	(3)	-	-	(1)	90
Others	290	38	-	-	(4)	324
Total deferred tax assets / (liabilities)	2,103	79	(259)	-	(14)	1,909

Notes forming part of the Consolidated Financial Statements

Gross deferred tax assets and liabilities are as follows:

(₹ crores)

As at March 31, 2017	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	(8)	98	(106)
Provision for employee benefits	389	-	389
Cash flow hedges	(12)	-	(12)
Receivables, financial assets at amortised cost	218	(2)	220
MAT credit entitlement	2,084	-	2,084
Branch profit tax	-	286	(286)
Undistributed earnings of subsidiaries	-	509	(509)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(285)	-	(285)
Operating lease liabilities	90	-	90
Others	352	28	324
Total deferred tax assets / (liabilities)	2,828	919	1,909

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 and tax credit entitlement. These unexpired business losses will expire based on the year of origination as follows:

(₹ crores)

March 31,	Unabsorbed business losses
2019	**4**
2020	**31**
2021	**11**
2022	**16**
2023	**-**
Thereafter	**-**
	62

Under the Indian Income Tax Act, 1961, Tata Consultancy Services Limited is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. Accordingly, Tata Consultancy Services Limited has recognised a deferred tax asset of ₹ 2,217 crores.

Deferred tax liability on undistributed earnings of ₹ 7,164 crores 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.

The Company and its subsidiaries have ongoing disputes with Income Tax authorities in India and in some of the jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received. As at March 31, 2018, the Company and its subsidiaries have contingent liability of ₹ 5,639 crores (March 31, 2017: ₹ 2,690 crores) in respect of tax demands which are being contested by the Company and its subsidiaries based

Notes forming part of the Consolidated Financial Statements

on the management evaluation and advice of tax consultants. In respect of tax contingencies of ₹ 318 crores (March 31, 2017: ₹ 318 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2016 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2014 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2015 and earlier.

On December 22, 2017, H.R. 1, originally known as the "Tax Cuts and Jobs Act" was signed into law ("US Tax Reforms"). The law provides for a federal tax rate reduction from a maximum rate of 35% to a flat rate of 21% with effect from January 1, 2018. The tax rate change does not have any significant impact on the taxes of the Group.

11) Other assets

Other assets consist of the following:

(A) Other assets - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Considered good		
(a) Prepaid expenses	**451**	281
(b) Prepaid rent	**373**	228
(c) Capital advances	**106**	143
(d) Advances to related parties	**2**	6
(e) Others	**21**	31
	953	689
Advances to related parties, considered good, comprise		
Voltas Limited	**2**	6
Tata Realty and Infrastructure Ltd*	**-**	-

*Represents value less than ₹ 0.50 crore.

(B) Other assets - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Considered good		
(a) Prepaid expenses	**1,546**	1,463
(b) Prepaid rent	**54**	46
(c) Advance to suppliers	**144**	188
(d) Advance to related parties	**3**	1
(e) Indirect tax recoverable	**699**	488
(f) Other advances	**41**	28
(g) Others	**97**	62

Notes forming part of the Consolidated Financial Statements

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Considered doubtful		
(a) Advance to suppliers	**3**	3
(b) Indirect tax recoverable	**2**	2
(c) Other advances	**3**	3
Less: Allowance on doubtful assets	**(8)**	(8)
	2,584	2,276
Advance to related parties, considered good comprise		
Tata AIG General Insurance Company Limited	**1**	-
The Titan Company Limited	**2**	1

12) Inventories

Inventories consist of the following:

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Raw materials, sub-assemblies and components	**25**	19
(b) Finished goods and work-in-progress*	**-**	1
(c) Goods-in-transit (raw materials)*	**-**	1
(d) Stores and spares	**1**	-
	26	21

*Represents values less than ₹ 0.50 crore.

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

13) Trade Receivables

Trade receivables (unsecured) consist of the following:

(A) Trade receivables - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Considered good	**94**	67
(b) Considered doubtful	**366**	287
	460	354
Less: Allowance for doubtful trade receivables	**(366)**	(287)
	94	67

(B) Trade receivables - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Considered good	**24,943**	22,617
(b) Considered doubtful	**465**	357
	25,408	22,974
Less: Allowance for doubtful trade receivables	**(465)**	(357)
	24,943	22,617

Above balances of trade receivables include balances with related parties (Refer note 34).

Notes forming part of the Consolidated Financial Statements

14) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crores)

		As at March 31, 2018	As at March 31, 2017
(a)	Balances with banks		
	In current accounts	**4,487**	3,077
	In deposit accounts	**328**	466
(b)	Cheques on hand	**3**	6
(c)	Cash on hand	**-**	1
(d)	Remittances in transit	**65**	47
		4,883	3,597

15) Other balances with banks

Other balances with banks consist of the following:

(₹ crores)

		As at March 31, 2018	As at March 31, 2017
(a)	Earmarked balances with banks	**222**	122
(b)	Short-term bank deposits	**2,056**	430
		2,278	552

Earmarked balances with banks significantly includes margin money for purchase of investments, margin money for derivative contracts and unclaimed dividends.

16) Share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of:

(₹ crores)

		As at March 31, 2018	As at March 31, 2017
Authorised			
(a)	460,05,00,000 equity shares of ₹ 1 each	**460**	460
	(March 31, 2017: 460,05,00,000 equity shares of ₹ 1 each)		
(b)	105,02,50,000 preference shares of ₹ 1 each	**105**	105
	(March 31, 2017: 105,02,50,000 preference shares of ₹ 1 each)		
		565	565
Issued, Subscribed and Fully paid up			
(a)	191,42,87,591 equity shares of ₹ 1 each	**191**	197
	(March 31, 2017: 197,04,27,941 equity shares of ₹ 1 each)		
		191	197

The Board of Directors of the Company, at its meeting held on February 20, 2017 had approved a proposal to buy-back upto 5,61,40,351 equity shares of the Company for an aggregate amount not exceeding ₹ 16,000 crores being 2.85% of the total paid up equity share capital at ₹ 2,850 per equity share, which was approved by the shareholders by means of a special resolution through a postal ballot.

Notes forming part of the Consolidated Financial Statements

A Letter of Offer was made to all eligible shareholders. The Company bought back 5,61,40,350 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought on June 7, 2017.

Capital Redemption Reserve was created to the extent of Share Capital extinguished (₹ 6 crores). An amount of ₹ 5,005 crores from retained earnings was used to offset the excess of buy-back cost of ₹ 16,042 crores (including ₹ 42 crores towards transaction costs of buy-back) over par value of shares after adjusting the balances lying in securities premium (₹ 1,919 crores) and general reserve (₹ 9,118 crores).

(i) **Reconciliation of number of shares**

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	**Amount (₹ crores)**	Number of shares	Amount (₹ crores)
Equity shares				
Opening balance	**197,04,27,941**	**197**	197,04,27,941	197
Shares extinguished on buy-back	**(5,61,40,350)**	**(6)**	-	-
Closing balance	**191,42,87,591**	**191**	197,04,27,941	197

(ii) **Rights, preferences and restrictions attached to shares**

Equity shares

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

(iii) **Shares held by Holding company, its Subsidiaries and Associates**

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Equity shares		
Holding company		
137,61,18,911 equity shares (March 31, 2017: 144,34,51,698 equity shares) are held by Tata Sons Limited	**138**	144
Subsidiaries and Associates of Holding company		
3,610 equity shares (March 31, 2017: 3,700 equity shares) are held by Tata Industries Limited*	**-**	-
2,06,000 equity share (March 31, 2017 : NIL equity shares) are held by Tata AIG Life Insurance Company Limited*	**-**	-
7,76,533 equity shares (March 31, 2017: 8,57,301 equity shares) are held by Tata AIA Life Insurance Company Limited*	**-**	-
5,27,110 equity shares (March 31, 2017: 5,50,000 equity shares) are held by Tata Investment Corporation Limited*	**-**	-
23,804 equity shares (March 31, 2017: 24,400 equity shares) are held by Tata Steel Limited*	**-**	-
383 equity shares (March 31, 2017: 452 equity shares) are held by The Tata Power Company Limited*	**-**	-
NIL equity shares (March 31, 2017: 4,84,902 equity shares*) are held by AF-taab Investment Company Limited	**-**	-
Total	**138**	144

*Equity shares having value less than ₹ 0.50 crore.

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Equity shares		
Tata Sons Limited, the Holding company	**137,61,18,911**	144,34,51,698
% of shareholding	**71.89%**	73.26%

(v) **Equity shares movement during 5 years preceding March 31, 2018**

(a) **Equity shares extinguished on buy-back**

5,61,40,350 equity shares of ₹ 1 each were extinguished on buy-back by the company pursuant to a Letter of Offer made to all eligible shareholders of the company at ₹ 2,850 per equity share. The equity shares bought back were extinguished on June 7, 2017.

(b) **Equity shares allotted as fully paid-up including equity shares fully paid pursuant to contract without payment being received in cash**

1,16,99,962 equity shares issued to the shareholders of CMC Limited in terms of the scheme of amalgamation ('the Scheme') sanctioned by the High Court of Judicature at Bombay vide its Order dated August 14, 2015 and the High Court of Judicature at Hyderabad vide its Order dated July 20, 2015.

15,06,983 equity shares of ₹ 1 each have been issued to the shareholders of TCS e-Serve Limited in terms of the composite scheme of amalgamation sanctioned by the High Court of Judicature at Bombay vide its Order dated September 6, 2013.

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

Notes forming part of the Consolidated Financial Statements

17) Other equity

Other equity consist of the following:

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Capital reserve (on consolidation)	**75**	75
(b) Securities premium reserve		
(i) Opening balance	**1,919**	1,919
(ii) Utilised for buyback of equity shares*	**(1,919)**	-
	-	1,919
(c) Capital redemption reserve		
(i) Opening balance	**523**	523
(ii) Transfer from retained earnings*	**6**	-
	529	523
(d) General reserve		
(i) Opening balance	**10,549**	10,549
(ii) Transfer to retained earnings	**(8)**	-
(iii) Utilised for buyback of equity shares*	**(9,118)**	-
	1,423	10,549
(e) Special Economic Zone re-investment reserve		
(i) Opening balance	**97**	-
(ii) Transfer from retained earnings	**1,579**	376
(iii) Transfer to retained earnings	**(98)**	(279)
	1,578	97
(f) Retained earnings		
(i) Opening balance	**71,071**	56,113
(ii) Profit for the year	**25,826**	26,289
(iii) Remeasurement of defined employee benefit plans	**102**	(206)
(iv) Utilised for buyback of equity shares*	**(4,957)**	-
(v) Expense relating to buy back of equity shares*	**(42)**	-
(vi) Purchase of non-controlling interests	**-**	(28)
(vii) Realised loss on equity shares carried at fair value through OCI	**-**	(20)
(viii) Transfer from Special Economic Zone re-investment reserve	**98**	279
(ix) Transfer from general reserve	**8**	-
	92,106	82,427
(x) Less: Appropriations		
(a) Dividend on equity shares	**9,284**	9,162
(b) Tax on dividend	**1,442**	1,785
(c) Transfer to capital redemption reserve*	**6**	-
(d) Transfer to Special Economic Zone re-investment reserve	**1,579**	376
(e) Transfer to statutory reserve	**40**	33
	79,755	71,071

Notes forming part of the Consolidated Financial Statements

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(g) Statutory reserve		
(i) Opening balance	**218**	185
(ii) Transfer from retained earnings	**40**	33
	258	218
(h) Investment revaluation reserve		
(i) Opening balance	**538**	54
(ii) Change during the year (net)	**(622)**	484
	(84)	538
(i) Cash flow hedging reserve (Refer Note 29 (b))		
(i) Opening balance	**88**	49
(ii) Change during the year (net)	**(159)**	39
	(71)	88
(j) Foreign currency translation reserve		
(i) Opening balance	**939**	1,408
(ii) Change during the year (net)	**535**	(469)
	1,474	939
	84,937	86,017

*Refer note 16.

Other components of equity

Other components of equity consist of the following:

Investment revaluation reserve

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the year	**538**	54
Net loss arising on revaluation of financial assets carried at fair value	**(84)**	(20)
Net cumulative loss reclassified to retained earnings on sale of financial assets carried at fair value	**-**	20
Net (loss) / gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	**(625)**	740
Deferred tax relating to net (loss) / gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	**216**	(256)
Net cumulative gain reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	**(196)**	-
Deferred tax relating to net cumulative gain reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	**67**	-
Balance at the end of the year	**(84)**	538

Notes forming part of the Consolidated Financial Statements

Nature of reserves

(a) **Capital reserve**

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

(b) **Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(c) **Capital redemption reserve**

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

(d) **General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(e) **Special Economic Zone re-investment reserve**

The Special Economic Zone re-investment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act,1961. The reserve should be utilised by the Group for acquiring new plant and machinery for the purpose of its business in the terms of the section 10AA(2) of Income-tax Act,1961.

(f) **Investment revaluation reserve**

This reserve represents the cumulative gains and losses arising on the revaluation of equity / debt instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

(g) **Cash flow hedging reserve**

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

(h) **Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

18) Borrowings

Borrowings consist of the following:

(A) Borrowings - Non-current (secured loans)

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Long-term maturities of finance lease obligations	**54**	71
	54	71

Obligations under finance lease are secured against property, plant and equipment obtained under finance lease arrangements (Refer note 28).

Notes forming part of the Consolidated Financial Statements

(B) Borrowings - Current (unsecured loans)

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Overdraft from banks	**181**	200
	181	200

19) Other financial liabilities

Other financial liabilities consist of the following:

(A) Other financial liabilities - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Capital creditors	**18**	17
(b) Others	**485**	437
	503	454

Others include advance taxes paid of ₹ 227 crores (March 31, 2017: ₹ 227 crores) by the seller of TCS e-Serve Limited which, on refund by the tax authorities, is payable to the seller.

(B) Other financial liabilities - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Accrued payroll	**2,637**	1,374
(b) Current maturities of finance lease obligations	**12**	18
(c) Unclaimed dividends	**28**	25
(d) Fair value of foreign exchange derivative liabilities	**91**	20
(e) Capital creditors	**262**	287
(f) Liabilities towards customer contracts	**776**	1,001
(g) Others	**107**	199
	3,913	2,924

Finance lease obligations are secured against property, plant and equipment obtained under finance lease arrangements.

20) Provisions

Provisions consist of the following:

(A) Provisions - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Provision for foreseeable loss	**26**	39
	26	39

Notes forming part of the Consolidated Financial Statements

(B) Provisions - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Provision for foreseeable loss	**199**	66
Other Provisions	**41**	-
	240	66

21) Other liabilities

Other liabilities consist of the following:

(A) Other liabilities - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Operating lease liabilities	**392**	387
(b) Others	**-**	45
	392	432

(B) Other liabilities - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Advance received from customers	**796**	330
(b) Indirect tax payable and other statutory liabilities	**1,986**	1,301
(c) Operating lease liabilities	**99**	74
(d) Others	**48**	40
	2,929	1,745

22) Revenue from operations

Revenue from operations includes ₹ 2,976 crores for the year ended March 31, 2018 (March 31, 2017: ₹ 2,849 crores) towards sale of equipment and software licences.

23) Other income (net)

Other income (net) consist of the following:

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest income	**2,445**	2,263
(b) Dividend income	**9**	1
(c) Net gain on investments carried at fair value through profit or loss	**706**	633
(d) Net gain on sale of investments carried at amortised cost	**4**	9
(e) Net gain on sale of investments other than equity shares carried at fair value through OCI	**196**	-
(f) Net gain on disposal of property, plant and equipment	**25**	3
(g) Net foreign exchange gains	**163**	1,240
(h) Rent income	**16**	17
(i) Other Income	**78**	55
	3,642	4,221

Notes forming part of the Consolidated Financial Statements

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income comprise		
Interest on bank deposits	**62**	116
Interest income on financial assets carried at amortised cost	**245**	412
Interest income on financial assets carried at fair value through OCI	**1,727**	1,598
Other interest (including interest on income tax refunds)	**411**	137
Dividend income comprise		
Dividend from mutual fund units	**9**	1

24) Employee benefits

Employee benefit expenses consist of the following:

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Salaries, incentives and allowances	**59,950**	55,537
(b) Contributions to provident and other funds	**4,505**	4,189
(c) Staff welfare expenses	**1,941**	1,895
	66,396	61,621

Employee benefit obligations consist of the following:

(A) Employee benefit obligations - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Gratuity liability	**3**	4
(b) Foreign defined benefit plans	**213**	159
(c) Other employee benefit obligations	**74**	82
	290	245

(B) Employee benefit obligations - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Compensated absences	**1,995**	1,834
(b) Other employee benefit obligations	**23**	28
	2,018	1,862

Notes forming part of the Consolidated Financial Statements

Employee benefits plans

Gratuity and pension

In accordance with Indian law, Tata Consultancy Services Limited and its subsidiaries in India operate a scheme of Gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. 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:

(₹ crores)

	Year ended March 31, 2018					Year ended March 31, 2017				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Change in benefit obligations										
Benefit obligations, beginning of the year	2,084	4	537	81	2,706	1,633	3	744	67	2,447
Exchange loss / (gain) on translation	-	-	59	5	64	-	-	(49)	(5)	(54)
Plan participants' contribution	-	-	7	-	7	-	-	8	-	8
Service cost	273	1	12	19	305	241	1	12	21	275
Interest cost	159	-	9	3	171	138	-	10	3	151
Remeasurement of the net defined benefit liability	(86)	(2)	(12)	(3)	(103)	200	-	58	(3)	255
Past service cost / (credit)	-	-	33	2	35	-	-	(9)	-	(9)
Benefits paid	(122)	-	(19)	(4)	(145)	(128)	-	(17)	(2)	(147)
Adjustment on plan settlement	-	-	-	-	-	-	-	(220)	-	(220)
Benefit obligations, end of the year	**2,308**	**3**	**626**	**103**	**3,040**	2,084	4	537	81	2,706

(₹ crores)

	Year ended March 31, 2018					Year ended March 31, 2017				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Change in plan assets										
Fair value of plan assets, beginning of the year	2,157	-	461	-	2,618	1,747	-	731	-	2,478
Exchange gain / (loss) on translation	-	-	52	-	52	-	-	(42)	-	(42)
Interest income	165	-	10	-	175	145	-	8	-	153
Employers' contributions	233	-	15	-	248	393	-	15	-	408
Plan participants' contribution	-	-	7	-	7	-	-	8	-	8
Benefits paid	(122)	-	(19)	-	(141)	(128)	-	(17)	-	(145)
Remeasurement - return on plan assets excluding amount included in interest income	-	-	3	-	3	-	-	47	-	47
Adjustment on plan settlement*	-	-	-	-	-	-	-	(289)	-	(289)
Fair value of plan assets, end of the year	**2,433**	**-**	**529**	**-**	**2,962**	2,157	-	461	-	2,618

*Adjustment in plan assets for year ended March 31, 2017 include ₹ 69 crores in respect of fair value of plan assets not recognised in the balance sheet in the previous year due to asset ceiling.

Notes forming part of the Consolidated Financial Statements

(₹ crores)

	As at March 31, 2018					As at March 31, 2017				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Funded status										
Deficit of plan assets over obligations	-	(3)	(110)	(103)	(216)	-	(4)	(78)	(81)	(163)
Surplus of plan assets over obligations	125	-	13	-	138	73	-	2	-	75
	125	(3)	(97)	(103)	(78)	73	(4)	(76)	(81)	(88)

(₹ crores)

	As at March 31, 2018					As at March 31, 2017				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Category of assets										
Corporate bonds	560	-	50	-	610	731	-	145	-	876
Equity shares	116	-	-	-	116	95	-	34	-	129
Government securities	996	-	-	-	996	621	-	-	-	621
Index linked gilt	-	-	-	-	-	-	-	-	-	-
Insurer managed funds	714	-	224	-	938	692	-	26	-	718
Bank balances	5	-	1	-	6	3	-	11	-	14
Others	42	-	254	-	296	15	-	245	-	260
Total	2,433	-	529	-	2,962	2,157	-	461	-	2,618

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

(₹ crores)

	Year ended March 31, 2018					Year ended March 31, 2017				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Service cost	273	1	12	19	305	241	1	12	21	275
Net interest on net defined benefit asset	(6)	-	(1)	3	(4)	(7)	-	2	3	(2)
Past service cost / (credit)	-	-	33	2	35	-	-	(9)	-	(9)
Net periodic gratuity / pension cost	267	1	44	24	336	234	1	5	24	264
Actual return on plan assets	165	-	13	-	178	145	-	55	-	200

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

	Year ended March 31, 2018				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	16	-	(6)	1	11
Actuarial gains arising from changes in financial assumptions	(85)	(2)	(14)	(1)	(102)
Actuarial (gains) and losses arising from changes in experience adjustments	(17)	-	8	(3)	(12)
Remeasurement of the net defined benefit liability	(86)	(2)	(12)	(3)	(103)
Remeasurement - return on plan assets excluding amount included in interest income	-	-	(3)	-	(3)
Total	(86)	(2)	(15)	(3)	(106)

(₹ crores)

	Year ended March 31, 2017				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	(2)	-	1	(1)	(2)
Actuarial (gains) and losses arising from changes in financial assumptions	71	-	51	(3)	119
Actuarial losses arising from changes in experience adjustments	131	-	6	1	138
Remeasurement of the net defined benefit liability	200	-	58	(3)	255
Remeasurement - return on plan assets excluding amount included in interest income	-	-	(47)	-	(47)
Total	200	-	11	(3)	208

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

	Year ended March 31, 2018		Year ended March 31, 2017	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	7.25%-7.75%	0.60%-7.75%	6.75%-7.25%	0.60%-7.75%
Rate of increase in compensation levels of covered employees	5.00%-8.00%	1.25%-6.00%	6.00%-8.00%	1.25%-4.64%
Rate of return on plan assets	7.25%-7.75%	0.60%-7.75%	6.75%-7.25%	0.60%-7.75%
Weighted average duration of defined benefit obligations	8-12 years	5-28 years	4-10 years	15-29 years

The expected benefits are based on the same assumptions as are used to measure Group's defined benefit plan obligations as at March 31, 2018. The Group is expected to contribute ₹ 159 crores to defined benefit plan obligations funds for the year ended March 31, 2019 comprising domestic component of ₹ 147 crores and foreign component of ₹ 12 crores.

Notes forming part of the Consolidated Financial Statements

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 ₹ 143 crores (increase by ₹ 158 crores) as at March 31, 2018.

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by ₹ 96 crores (decrease by ₹ 90 crores) as at March 31, 2018.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Each year an Asset - Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

The defined benefit obligations shall mature after year ended March 31, 2018 as follows:

(₹ crores)

Year ending March 31,	Defined benefit obligations
2019	**241**
2020	**225**
2021	**235**
2022	**234**
2023	**243**
Thereafter	**1,018**

Provident fund

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

All eligible employees of Indian subsidiaries of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to the Government administered provident fund plan. A part of the company's contribution is transferred to Government administered pension fund. This plan is a defined contribution plan as the obligation of the employer is limited to the monthly contributions made to the fund. The contributions made to the fund are recognised as an expense in profit and loss under employee benefit expenses.

Notes forming part of the Consolidated Financial Statements

The details of fund and plan assets are given below:

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Fair value of plan assets	**13,084**	10,962
Present value of defined benefit obligations	**(13,084)**	(10,962)
Net (shortfall) / excess	**-**	-

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

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

	As at March 31, 2018	As at March 31, 2017
Discount rate	**7.75%**	7.25%
Average remaining tenure of investment portfolio	**7.95 years**	7.01 years
Guaranteed rate of return	**8.55%**	8.65%

The Group contributed ₹ 848 crores for the year ended March 31, 2018 (March 31, 2017: ₹ 804 crores) to the provident fund.

Superannuation

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

The Group contributed ₹ 264 crores for the year ended March 31, 2018 (March 31, 2017: ₹ 265 crores) to the Employees' Superannuation Fund.

Foreign Defined Contribution Plan

The Group contributed ₹ 927 crores for the year ended March 31, 2018 (March 31, 2017: ₹ 826 crores) towards foreign defined contribution plan.

25) Other operating expenses

Other operating expenses consist of the following:

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Fees to external consultants	**8,992**	8,854
(b) Facility expenses	**3,938**	3,685
(c) Travel expenses	**2,816**	2,786
(d) Communication expenses	**1,062**	1,067
(e) Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**206**	125
(f) Other expenses	**4,478**	4,709
	21,492	21,226

Notes forming part of the Consolidated Financial Statements

26) Cost of equipment and software licences

Cost of equipment and software licences include:

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Raw materials, sub-assemblies and components consumed	**86**	94
(b) Equipment and software licences purchased	**2,613**	2,715
	2,699	2,809
Finished goods and work-in-progress		
Opening stock	**1**	-
Less: Closing stock	**-**	1
	1	(1)
	2,700	2,808

27) Research and development expenditure aggregating ₹ 298 crores in the year ended March 31, 2018 (March 31, 2017: ₹ 282 crores) including capital expenditure was incurred during the year.

28) Lease

The Group 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 ₹ 1,998 crores (March 31, 2017: ₹ 1,818 crores) for the year ended March 31, 2018.

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

(₹ crores)

Operating Lease	As at March 31, 2018	As at March 31, 2017
Due within one year	**897**	833
Due in a period between one year and five years	**3,053**	2,302
Due after five years	**1,061**	1,215
Total minimum lease commitments	**5,011**	4,350

(₹ crores)

Finance lease	As at March 31, 2018		As at March 31, 2017	
	Minimum lease commitments	Present value of minimum lease commitments	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	**20**	**12**	25	18
Due in a period between one year and five years	**62**	**45**	73	52
Due after five years	**10**	**9**	21	19
Total minimum lease commitments	**92**	**66**	119	89
Less: Interest	**(26)**		(30)	
Present value of minimum lease commitments	**66**		89	

Notes forming part of the Consolidated Financial Statements

Receivables under sub leases

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Due within one year	6	12
Due in a period between one year and five years	7	1
Total	13	13

Income from sub leases of ₹ 16 crores in the year ended March 31, 2018 (March 31, 2017: ₹ 17 crores) have been recognised in the statement of profit and loss.

29) 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 2(l) to the consolidated financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

(₹ crores)

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets						
Cash and cash equivalents	-	-	-	-	4,883	4,883
Bank deposits	-	-	-	-	2,056	2,056
Earmarked balances with banks	-	-	-	-	223	223
Investments	9,794	26,030	-	-	184	36,008
Trade receivables	-	-	-	-	25,037	25,037
Unbilled revenue	-	-	-	-	6,913	6,913
Loans*	-	-	-	-	5,180	5,180
Other financial assets	-	-	34	55	1,476	1,565
Total	9,794	26,030	34	55	45,952	81,865
Financial liabilities						
Trade payables	-	-	-	-	5,094	5,094
Borrowings	-	-	-	-	235	235
Other financial liabilities	203	-	24	67	4,122	4,416
Total	203	-	24	67	9,451	9,745

*Loans include inter-corporate deposits of ₹ 4,797 crores, with original maturity period within 50 months.

Notes forming part of the Consolidated Financial Statements

The carrying value of financial instruments by categories as at March 31, 2017 is as follows:

(₹ crores)

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets						
Cash and cash equivalents	-	-	-	-	3,597	3,597
Bank deposits	-	-	-	-	430	430
Earmarked balances with banks	-	-	-	-	123	123
Investments	19,692	22,140	-	-	148	41,980
Trade receivables	-	-	-	-	22,684	22,684
Unbilled revenue	-	-	-	-	5,351	5,351
Loans*	-	-	-	-	2,918	2,918
Other financial assets	-	-	140	432	1,726	2,298
Total	19,692	22,140	140	432	36,977	79,381
Financial liabilities						
Trade payables	-	-	-	-	4,905	4,905
Borrowings	-	-	-	-	271	271
Other financial liabilities	196	-	-	20	3,162	3,378
Total	196	-	-	20	8,338	8,554

*Loans include inter-corporate deposits of ₹ 2,568 crores, with original maturity period within 50 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled revenues, loans and trade payables as at March 31, 2018 and 2017 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

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 consist 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 financial instruments 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 wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	9,735	59	-	9,794
Equity shares	-	-	58	58
Corporate debentures and bonds	-	771	-	771
Government securities	25,385	-	-	25,385
Derivative financial assets	-	89	-	89
Total	35,120	919	58	36,097
Financial liabilities				
Derivative financial liabilities	-	91	-	91
Other financial liabilities	-	-	203	203
Total	-	91	203	294

(₹ crores)

As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	19,692	-	-	19,692
Equity shares	-	-	141	141
Corporate debentures and bonds		16	-	16
Government securities	22,131	-	-	22,131
Derivative financial assets	-	572	-	572
Total	41,823	588	141	42,552
Financial liabilities				
Derivative financial liabilities	-	20	-	20
Other financial liabilities	-	-	196	196
Total	-	20	196	216

Reconciliation of Level 3 fair value measurement is as follows:

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the year	141	169
Disposals during the year	-	(25)
Impairment in value of investments	(83)	-
Exchange loss	-	(3)
Balance at the end of the year	58	141

(b) Derivative financial instruments and hedging activity

The Group's revenue is denominated in foreign currency predominantly US Dollar, Sterling Pound and Euro. In addition to these currencies, the Group also does business in Australian Dollar, Canadian Dollar, Swiss Franc, Japanese Yen, Norwegian Krone, Swedish Krona, South African Rand, 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 the Group to currency fluctuations.

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

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

Foreign currency	**As at March 31, 2018**			As at March 31, 2017		
	No. of contracts	**Notional amount of contracts (million)**	**Fair value (₹ crores)**	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)
U.S. Dollar	**24**	**1,466**	**20**	6	150	9
Sterling Pound	**34**	**263**	**(23)**	45	318	60
Euro	**26**	**216**	**1**	27	198	40
Australian Dollar	**21**	**150**	**12**	6	60	11

The following are outstanding foreign exchange forward contracts, which have been designated as cash flow hedges:

Foreign currency	**As at March 31, 2018**			As at March 31, 2017		
	No. of contracts	**Notional amount of contracts (million)**	**Fair value (₹ crores)**	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)
Sterling Pound	**-**	**-**	**-**	5	125	5
Euro	**-**	**-**	**-**	3	91	15

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

	Year ended March 31, 2018		Year ended March 31, 2017	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	**105**	**(17)**	68	(19)
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	**(127)**	**340**	(743)	235
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	**15**	**(38)**	104	(31)
Changes in the fair value of effective portion of cash flow hedges	**5**	**(399)**	784	(232)
Deferred tax on fair value of effective portion of cash flow hedges	**-**	**45**	(108)	30
Balance at the end of the year	**(2)**	**(69)**	105	(17)

In addition to the above cash flow hedges, the Group has outstanding foreign exchange forward, currency options and futures contracts with notional amount aggregating ₹ 22,404 crores as at March 31, 2018 (March 31, 2017: ₹ 19,159 crores) whose fair value showed a net loss of ₹ 12 crores as at March 31, 2018 (March 31, 2017: net gain of ₹ 412 crores). Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange loss of ₹ 52 crores for the year ended March 31, 2018 (March 31, 2017: Exchange gain of ₹ 1,522 crores) on foreign exchange forward, currency options and futures contracts, have been recognised in the statement of profit and loss.

Net foreign exchange gains include loss of ₹ 213 crores for the year ended March 31, 2018 (March 31, 2017: Exchange gain of ₹ 508 crores) transferred from cash flow hedging reserve.

Net loss on derivative instruments of ₹ 71 crores recognised in cash flow hedging reserve as at March 31, 2018, is expected to be transferred to the statement of profit and loss by March 31, 2019. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2018.

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

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
10% Appreciation of the underlying foreign currencies	**(323)**	(218)
10% Depreciation of the underlying foreign currencies	**1,054**	793

(c) Financial risk management

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

Notes forming part of the Consolidated Financial Statements

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 and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The 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 balance sheet which could affect the statement of profit and loss and other comprehensive income and equity.

Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note 28(b).

The following table sets forth information relating to foreign currency exposure as at March 31, 2018:

(₹ crores)

	USD	EUR	GBP	AUD	SGD	DKK	BRL	SAR	Others*
Net financial assets	2,481	349	266	145	1	16	-	383	683
Net financial liabilities	(298)	(1)	(6)	(7)	(10)	(74)	(25)	-	(243)

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 taxes by approximately ₹ 366 crores for the year ended March 31, 2018.

(₹ crores)

	USD	EUR	GBP	AUD	SGD	DKK	BRL	SAR	Others*
Net financial assets	2,032	99	242	19	87	3	6	444	715
Net financial liabilities	(215)	(26)	(1)	(256)	-	(48)	(8)	-	(214)

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 taxes by approximately ₹ 288 crores for the year ended March 31, 2017.

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

Notes forming part of the Consolidated Financial Statements

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 ₹ 4,797 crores are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹ 2,000 crores held with an Indian bank having high quality credit rating which are individually in excess of 10% or more of the Group's total bank deposits in year ended March 2018. 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 ₹ 81,771 crores as at March 31, 2018 (March 31, 2017: ₹ 79,313 crores), being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, unbilled revenue and other financial assets.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivable and unbilled revenue as at March 31, 2018 and 2017.

Geographic concentration of credit risk

The Group also has a geographic concentration of trade receivables (gross and net of allowances) and unbilled revenue is as follows:

	As at March 31, 2018		As at March 31, 2017	
	Gross%	**Net%**	Gross%	Net%
United States of America	**41.83**	**42.49**	43.47	44.30
India	**14.29**	**13.00**	15.95	14.71
United Kingdom	**13.46**	**13.59**	13.39	13.46

Geographical concentration of is trade receivables and unbilled revenue 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.

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

March 31, 2018	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	5,094	-	-	-	5,094
Borrowings	181	21	41	10	253
Other financial liabilities	3,822	233	227	55	4,337
	9,097	254	268	65	9,684
Derivative financial liabilities	91	-	-	-	91
Total	9,188	254	268	65	9,775

(₹ crores)

March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	4,905	-	-	-	4,905
Borrowings	200	26	47	21	294
Other financial liabilities	2,904	13	464	2	3,383
	8,009	39	511	23	8,582
Derivative financial liabilities	20	-	-	-	20
Total	8,029	39	511	23	8,602

30) Earnings per share (EPS)

	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year (₹ crores)	25,826	26,289
Weighted average number of equity shares	192,45,92,806	197,04,27,941
Earnings per share basic and diluted (₹)	134.19	133.41
Face value per equity share (₹)	1	1

31) Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Group has identified business segments ('industry practice') as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance, 2) Manufacturing, 3) Retail and Consumer Business, 4) Communication, Media and Technology and 5) Others such as Energy, Resources and Utilities, Life Science and Healthcare, s-Governance and Products.

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

Notes forming part of the Consolidated Financial Statements

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. 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, 2018 and 2017 is as follows:

Year ended March 31, 2018 (₹ crores)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	48,418	13,361	21,055	21,131	19,139	1,23,104
Segment result	13,045	3,698	5,580	5,797	4,339	32,459
Total Unallocable expenses						2,009
Operating income						30,450
Other income (net)						3,642
Profit before taxes						34,092
Tax expense						8,212
Profit for the year						25,880
Depreciation and amortisation expense	55	-	-	-	2	57
Depreciation and amortisation expense (unallocable)						1,957
Significant non-cash items (allocable)	51	4	33	38	80	206

As at March 31, 2018 (₹ crores)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Segment assets	11,700	3,559	6,024	6,033	7,003	34,319
Unallocable assets						71,977
Total assets						1,06,296
Segment liabilities	2,661	178	478	428	780	4,525
Unallocable liabilities						16,241
Total liabilities						20,766

Notes forming part of the Consolidated Financial Statements

Year ended March 31, 2017 (₹ crores)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	47,505	12,486	20,459	19,521	17,995	1,17,966
Segment result	13,098	3,574	5,740	5,552	4,271	32,235
Total Unallocable expenses						1,943
Operating income						30,292
Other income (net)						4,221
Profit before taxes						34,513
Tax expense						8,156
Profit for the year						26,357
Depreciation and amortisation expense	74	-	-	-	2	76
Depreciation and amortisation expense (unallocable)						1,911
Significant non-cash items (allocable)	19	6	10	22	68	125

As at March 31, 2017 (₹ crores)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Segment assets	10,341	3,223	5,232	5,104	6,267	30,167
Unallocable assets						73,085
Total assets						1,03,252
Segment liabilities	1,706	123	382	433	698	3,342
Unallocable liabilities						13,330
Total liabilities						16,672

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

Information regarding geographical revenue is as follows:

(₹ crores)

Geography	**Year ended March 31, 2018**	Year ended March 31, 2017
Americas (1)	**66,145**	66,091
Europe (2)	**34,155**	30,038
India	**7,921**	7,415
Others	**14,883**	14,422
Total	**1,23,104**	1,17,966

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

Notes forming part of the Consolidated Financial Statements

Information regarding geographical non-current assets is as follows:

(₹ crores)

Geography	Year ended March 31, 2018	Year ended March 31, 2017
Americas (3)	**1,354**	1,246
Europe (4)	**1,694**	1,521
India	**14,699**	15,355
Others	**588**	598
Total	**18,335**	18,720

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 ₹ 17,625 crores (March 31, 2017: ₹ 16,404 crores) for the year ended March 31, 2018.

iii. (4) includes non-current assets from operations in the United Kingdom of ₹ 568 crores (March 31, 2017: ₹ 568 crores) as of March 31, 2018.

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2018 and 2017.

32) Commitments and contingent liabilities

Capital commitments

The Group has contractually committed (net of advances) ₹ 783 crores as at March 31, 2018 (March 31, 2017: ₹ 1,503 crores) for purchase of property, plant and equipment.

Contingencies

Direct tax matters

Refer note 10.

Indirect tax matters

The Company and its subsidiaries have ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. As at March 31, 2018, the Company and its subsidiaries in India have demands amounting to ₹ 305 crores (March 31, 2017: ₹ 284 crores) from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

Other claims

As at March 31, 2018, claims aggregating ₹ 3,000 crores (March 31, 2017: ₹ 6,308 crores) against the Group (individually insignificant) have not been acknowledged as debts.

In October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin for alleged infringement of Epic's proprietary information. In April 2016, the Company received an unfavorable jury verdict awarding damages totaling ₹ 6,114 crores (US $ 940 million) to Epic. In September 2017, the Company received a Court order reducing the damages from ₹ 6,114 crores (US $ 940 million) to ₹ 2,732 crores (US $ 420 million) to Epic. The Company has received legal advice to the effect that the order and the reduced damages awarded are not supported by evidence presented during the trial and a strong appeal can be made to superior Court to fully set aside the Order. Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹ 2,862 crores (US $ 440 million) as financial security in order to stay execution of the judgment pending post-judgment proceedings and appeal. Accordingly, an amount of ₹ 2,862 crores (US $ 440 million) is disclosed as contingent liability as included in the claims not acknowledged as debts by the Company.

Letter of Comfort

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

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

33) Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest

Name of the entity	Country of incorporation	% of voting power as at March 31, 2018	% of voting power as at March 31, 2017	Net Assets, i.e. total assets minus total liabilities		Share in profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
				As % of consolidated net assets	Amount (₹ crores)	As % of consolidated profit and loss	Amount (₹ crores)	As % of consolidated other comprehensive income	Amount (₹ crores)	As % of Total comprehensive income	Amount (₹ crores)
Tata Consultancy Services Limited	India	-	-	82.93	75,866	86.21	25,241	92.36	(629)	86.06	24,612
Subsidiaries (held directly)											
Indian											
APTOnline Limited	India	89.00	89.00	0.09	78	0.08	24	-	-	0.08	24
MP Online Limited	India	89.00	89.00	0.09	86	0.08	22	-	-	0.08	22
C-Edge Technologies Limited	India	51.00	51.00	0.18	166	0.19	55	-	-	0.19	55
MahaOnline Limited	India	74.00	74.00	0.06	59	0.05	14	-	-	0.05	14
TCS e-Serve International Limited	India	100.00	100.00	0.23	206	0.15	45	-	-	0.16	45
TCS Foundation	India	100.00	100.00	0.70	637	0.46	136	-	-	0.48	136
Foreign											
Diligenta Limited	UK	100.00	100.00	0.80	735	0.18	54	(1.03)	7	0.21	61
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00	0.69	629	0.95	278	-	-	0.97	278
Tata America International Corporation	USA	100.00	100.00	3.44	3,150	2.68	786	9.54	(65)	2.52	721
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00	0.53	481	0.60	175	-	-	0.61	175
Tata Consultancy Services Belgium (Formerly Tata Consultancy Services Belgium S.A.)	Belgium	100.00	100.00	0.30	272	0.31	91	-	-	0.32	91
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00	0.35	319	0.55	161	-	-	0.56	161
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00	2.77	2,537	2.40	702	-	-	2.45	702
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00	0.51	463	0.44	128	-	-	0.45	128
TCS FNS Pty Limited	Australia	100.00	100.00	0.16	145	-	-	-	-	-	-
TCS Iberoamerica SA	Uruguay	100.00	100.00	1.41	1,291	0.92	268	-	-	0.94	268
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.07	60	0.05	14	-	-	0.05	14
CMC Americas, Inc.	USA	100.00	100.00	0.08	70	0.12	35	-	-	0.12	35
Tata Consultancy Services Qatar S.S.C.	Qatar	100.00	100.00	0.03	32	0.03	10	-	-	0.03	10
Foreign											
CMC eBiz, Inc.	USA	100.00	100.00	-	-	-	-	-	-	-	-
TCS e-Serve America, Inc.	USA	100.00	100.00	0.03	23	0.05	16	-	-	0.06	16

Notes forming part of the Consolidated Financial Statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2018	% of voting power as at March 31, 2017	Net Assets, i.e. total assets minus total liabilities		Share in profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
				As % of consolidated net assets	Amount (₹ crores)	As % of consolidated profit and loss	Amount (₹ crores)	As % of consolidated other comprehensive income	Amount (₹ crores)	As % of Total comprehensive income	Amount (₹ crores)
Tata Consultancy Services (China) Co., Ltd.	China	93.20	93.20	0.16	144	(0.17)	(49)	-	-	(0.17)	(49)
Tata Consultancy Services Japan, Ltd.	Japan	51.00	51.00	1.08	990	0.41	120	-	-	0.42	120
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00	0.14	129	0.08	22	-	-	0.08	22
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00	0.03	29	0.05	15	-	-	0.05	15
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00	0.18	163	0.09	25	(0.29)	2	0.09	27
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00	0.02	20	0.02	6	-	-	0.02	6
TCS Italia s.r.l.	Italy	100.00	100.00	0.01	11	0.02	7	-	-	0.02	7
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00	0.07	66	0.04	12	-	-	0.04	12
Tata Consultancy Services Switzerland Ltd	Switzerland	100.00	100.00	0.33	302	0.96	281	(1.03)	7	1.01	288
Tata Consultancy Services France S.A.S. (merged w.e.f. April 1, 2017)	France	-	100.00	-	-	-	-	-	-	-	-
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00	-	1	(0.01)	(4)	-	-	(0.01)	(4)
Tata Consultancy Services Danmark ApS	Denmark	100.00	100.00	-	3	-	-	-	-	-	-
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00	0.02	21	0.01	4	-	-	0.01	4
Tata Consultancy Services (Portugal) Unipessoal, Limitada	Portugal	100.00	100.00	(0.01)	(8)	0.02	6	-	-	0.02	6
Tata Consultancy Services France SA (Formerly Alti S.A.)	France	100.00	100.00	(0.37)	(343)	(0.23)	(67)	0.29	(2)	(0.24)	(69)
Alti HR S.A.S. (merged w.e.f. April 1, 2017)	France	-	100.00	-	-	-	-	-	-	-	-
Tescom (France) Software Systems Testing S.A.R.L. (merged w.e.f. April 1, 2017)	France	-	100.00	-	-	-	-	-	-	-	-
Alti Switzerland S.A. (merged w.e.f. October 1, 2017)	Switzerland	-	100.00	-	-	-	-	-	-	-	-
Alti Infrastructures Systemes & Reseaux S.A.S. (merged w.e.f. April 1, 2017)	France	-	100.00	-	-	-	-	-	-	-	-
Alti NV (merged w.e.f. October 1, 2017)	Belgium	-	100.00	-	-	-	-	-	-	-	-
Teamlink (w.e.f. January 31, 2018)	Belgium	-	100.00	-	-	-	-	-	-	-	-
Planaxis Technologies Inc. (w.e.f. March 31, 2018)	Canada	-	100.00	-	-	-	-	-	-	-	-
Tata Consultancy Services Saudi Arabia	Saudi Arabia	76.00	76.00	0.11	105	0.22	63	(0.29)	2	0.23	65
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.10	89	0.12	34	-	-	0.12	34
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00	0.01	10	(0.06)	(19)	-	-	(0.07)	(19)

Notes forming part of the Consolidated Financial Statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2018	% of voting power as at March 31, 2017	Net Assets, i.e. total assets minus total liabilities		Share in profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
				As % of consolidated net assets	Amount (₹ crores)	As % of consolidated profit and loss	Amount (₹ crores)	As % of consolidated other comprehensive income	Amount (₹ crores)	As % of Total comprehensive income	Amount (₹ crores)
TCS Financial Solutions Australia Holdings Pty Limited	Australia	100.00	100.00	0.05	49	-	-	-	-	-	-
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00	0.13	123	0.11	32	-	-	0.11	32
TCS Solution Center S.A.	Uruguay	100.00	100.00	0.20	180	0.29	85	-	-	0.30	85
TCS Uruguay S.A.	Uruguay	100.00	100.00	0.04	36	0.02	5	-	-	0.02	5
Tata Consultancy Services Argentina S.A.	Argentina	99.99	99.99	(0.05)	(44)	(0.06)	(19)	-	-	(0.07)	(19)
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00	0.09	81	0.04	11	-	-	0.04	11
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00	0.74	679	0.91	265	-	-	0.93	265
MGDC S.C.	Mexico	100.00	100.00	0.14	125	0.01	3	0.15	(1)	0.01	2
TCS Inversiones Chile Limitada	Chile	100.00	100.00	0.38	349	0.53	156	-	-	0.55	156
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00	0.61	554	(0.01)	(3)	-	-	(0.01)	(3)
Technology Outsourcing S.A.C.	Peru	100.00	100.00	0.01	7	-	(1)	-	-	-	(1)
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00	0.07	63	(0.01)	(2)	0.30	(2)	(0.01)	(4)
Trusts	India	-	-	0.26	245	0.10	35	-	-	0.12	35
TOTAL				**100.00**	**91,484**	**100.00**	**29,278**	**100.00**	**(681)**	**100.00**	**28,597**
a) Adjustments arising out of consolidation					**(5,954)**		**(3,398)**		**553**		**(2,845)**
b) Minority Interest											
Indian Subsidiaries											
APTOnline Limited					(9)		(3)		-		(3)
MP Online Limited					(9)		(2)		-		(2)
C-Edge Technologies Limited					(84)		(27)		-		(27)
MahaOnline Limited					(13)		(3)		-		(3)
Foreign Subsidiaries											
Tata Consultancy Services (China) Co., Ltd.					(10)		3		(1)		2
Tata Consultancy Services Japan, Ltd.					(277)		(22)		(15)		(37)
TOTAL					**(402)**		**(54)**		**(16)**		**(70)**
TOTAL					**85,128**		**25,826**		**(144)**		**25,682**

Notes forming part of the Consolidated Financial Statements

34) 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 key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

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

Transactions with related parties are as follows:

(₹ crores)

	Year ended March 31, 2018				
	Tata Sons Limited	**Subsidiaries of Tata Sons Limited**	**Associates / joint ventures of Tata Sons Limited and their subsidiaries**	**Other related parties**	**Total**
Revenue from operations	**13**	**260**	**1,993**	**-**	**2,266**
Purchases of goods and services (including reimbursements)	**5**	**37**	**571**	**-**	**613**
Brand equity contribution	**185**	**-**	**-**	**-**	**185**
Facility expenses	**1**	**36**	**6**	**-**	**43**
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**-**	**5**	**5**	**-**	**10**
Contribution to post employment benefit plans	**-**	**-**	**-**	**821**	**821**
Purchase of property, plant and equipment	**-**	**6**	**45**	**-**	**51**
Loans and advances recovered	**-**	**-**	**5**	**-**	**5**
Dividend paid	**6,826**	**3**	**2**	**-**	**6,831**
Buy back of shares	**10,278**	**7**	**21**	**-**	**10,306**

(₹ crores)

	Year ended March 31, 2017				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and their subsidiaries	Other related parties	Total
Revenue from operations	4	246	2,162	-	2,412
Purchases of goods and services (including reimbursements)	4	555	634	-	1,193
Brand equity contribution	156	-	-	-	156
Facility expense	1	33	5	-	39
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	4	5	-	9
Contribution to post employment benefit plans	-	-	-	1,029	1,029
Purchase of property, plant and equipment	-	21	33	-	54
Loans and advances given	-	-	7	-	7
Loans and advances recovered	-	1	-	-	1
Dividend paid	6,712	8	3	-	6,723

Notes forming part of the Consolidated Financial Statements

Balances receivable from related parties are as follows:

(₹ crores)

	As at March 31, 2018			
	Tata Sons Limited	**Subsidiaries of Tata Sons Limited**	**Associates / joint ventures of Tata Sons Limited and their subsidiaries**	**Total**
Trade receivables and unbilled revenue	**8**	**122**	**637**	**767**
Loans, other financial assets and other assets	**3**	**27**	**7**	**37**
Investments	**-**	**-**	**-**	**-**
Total	**11**	**149**	**644**	**804**

(₹ crores)

	As at March 31, 2017			
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and their subsidiaries	Total
Trade receivables and unbilled revenue	1	128	626	755
Loans, other financial assets and other assets	3	26	14	43
Investments	-	19	-	19
Total	4	173	640	817

Balances payable to related parties are as follows:

(₹ crores)

	As at March 31, 2018			
	Tata Sons Limited	**Subsidiaries of Tata Sons Limited**	**Associates / joint ventures of Tata Sons Limited and their subsidiaries**	**Total**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**165**	**22**	**206**	**393**
Total	**165**	**22**	**206**	**393**
Commitments	**-**	**8**	**39**	**47**

(₹ crores)

	As at March 31, 2017			
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and their subsidiaries	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	138	28	150	316
Total	138	28	150	316
Commitments	-	24	71	95

Notes forming part of the Consolidated Financial Statements

Compensation to key management personnel is as follows:

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Short-term benefits	**27**	46
Dividend paid during the year	**1**	1
Total	**28**	47

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

35) Subsequent events

Dividends

Dividends paid during the year ended March 31, 2018 include an amount of ₹ 27.50 per equity share towards final dividend for the year ended March 31, 2017 and an amount of ₹ 21 per equity share towards interim dividend for the year ending March 31, 2018. Dividends paid during the year ended March 31, 2017 include an amount of ₹ 27 per equity share towards final dividend for the year ended March 31, 2016 and an amount of ₹ 19.50 per equity share towards interim dividend for the year ending March 31, 2017.

Dividends declared by the Company are based on profits available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On April 19, 2018, the Board of Directors of the Company have proposed a final dividend of ₹ 29 per share in respect of the year ending March 31, 2018 subject to the approval of shareholders at the Annual General Meeting.

Bonus issue

The Board of Directors at its meeting held on April 19, 2018, approved a bonus issue of equity shares, subject to the approval of the shareholders, in the ratio of one equity share of ₹ 1 each for every one equity share of the Company held by the shareholders as on a record date.