

TATA CONSULTANCY SERVICES LIMITED
Registered Office : 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021
CIN: L22210MH1995PLC084781
Tel: +91 22 6778 9595 Email: investor.relations@tcs.com Website: www.tcs.com
PART I : Audited Consolidated Interim Statement of Financial Results

(₹ crore)

	Three month period ended			Nine month period ended		Year ended
	December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
	2020	2020	2019	2020	2019	2020
Revenue	42,015	40,135	39,854	120,472	117,003	156,949
Other income	691	914	818	2,203	3,854	4,592
TOTAL INCOME	42,706	41,049	40,672	122,675	120,857	161,541
Expenses						
Employee benefit expenses	23,431	22,665	21,622	68,189	63,901	85,952
Fees to external consultants	3,230	3,047	3,268	9,340	9,741	12,937
Cost of equipment and software licences	396	266	460	1,008	1,436	1,905
Depreciation and amortisation expense	1,024	998	897	2,998	2,578	3,529
Other operating expenses	2,750	2,644	3,633	8,190	10,792	14,046
TOTAL EXPENSES	30,831	29,620	29,880	89,725	88,448	118,369
PROFIT BEFORE FINANCE COSTS, EXCEPTIONAL ITEM AND TAX	11,875	11,429	10,792	32,950	32,409	43,172
Finance costs	183	174	223	499	673	924
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX	11,692	11,255	10,569	32,451	31,736	42,248
Exceptional item (Refer note 2)						
Provision towards legal claim	-	1,218	-	1,218	-	-
PROFIT BEFORE TAX	11,692	10,037	10,569	31,233	31,736	42,248
Tax expense						
Current tax	3,242	2,849	2,981	8,756	7,702	10,378
Deferred tax	(277)	(316)	(555)	(803)	(320)	(577)
TOTAL TAX EXPENSE	2,965	2,533	2,426	7,953	7,382	9,801
PROFIT FOR THE PERIOD	8,727	7,504	8,143	23,280	24,354	32,447
Profit for the period attributable to:						
Shareholders of the Company	8,701	7,475	8,118	23,184	24,291	32,340
Non-controlling interests	26	29	25	96	63	107
OTHER COMPREHENSIVE INCOME (OCI)						
Items that will not be reclassified subsequently to profit or loss	(184)	(62)	(228)	(110)	(367)	(449)
Income tax on items that will not be reclassified subsequently to profit or loss	39	-	63	10	73	90
Items that will be reclassified subsequently to profit or loss	631	(129)	122	1,397	560	1,138
Income tax on items that will be reclassified subsequently to profit or loss	(71)	73	44	(224)	(137)	(315)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)	415	(118)	1	1,073	129	464
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,142	7,386	8,144	24,353	24,483	32,911
Total comprehensive income for the period attributable to:						
Shareholders of the Company	9,109	7,358	8,117	24,248	24,405	32,764
Non-controlling interests	33	28	27	105	78	147
Paid up equity share capital (Face Value : ₹1 per share)	375	375	375	375	375	375
Total Reserves (including Non-controlling interests)						84,374
Earnings per equity share:- Basic and diluted (₹)	23.19	19.93	21.63	61.79	64.74	86.19
Dividend per share (Par value ₹1 each)						
Interim dividend on equity shares (₹)	6.00	12.00	5.00	23.00	55.00	67.00
Final dividend on equity shares (₹)	-	-	-	-	-	6.00
Total dividend on equity shares (₹)	6.00	12.00	5.00	23.00	55.00	73.00
Total equity dividend percentage	600	1,200	500	2,300	5,500	7,300

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PART II : Consolidated Segment Information

(₹ crore)

	Three month period ended			Nine month period ended		Year ended
	December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
	2020	2020	2019	2020	2019	2020
REVENUE BY INDUSTRY PRACTICE						
Banking, Financial Services and Insurance	16,655	16,138	15,483	48,075	45,888	61,095
Manufacturing	4,027	3,826	4,171	11,737	12,251	16,468
Retail and Consumer Business	6,546	6,353	6,709	18,811	19,598	26,280
Communication, Media and Technology	6,980	6,560	6,608	20,035	19,227	25,978
Others	7,807	7,258	6,883	21,814	20,039	27,128
REVENUE FROM OPERATIONS	42,015	40,135	39,854	120,472	117,003	156,949
SEGMENT RESULTS						
Banking, Financial Services and Insurance	4,807	4,773	4,415	13,695	12,774	16,950
Manufacturing	1,188	1,029	1,135	3,203	3,255	4,445
Retail and Consumer Business	1,966	1,844	1,797	5,112	5,110	6,870
Communication, Media and Technology	2,066	1,917	1,926	5,869	5,604	7,703
Others	2,181	1,950	1,597	5,866	4,386	6,141
Total	12,208	11,513	10,870	33,745	31,129	42,109
Unallocable expenses*	1,207	2,390	1,119	4,715	3,247	4,453
Operating income	11,001	9,123	9,751	29,030	27,882	37,656
Other income	691	914	818	2,203	3,854	4,592
PROFIT BEFORE TAX	11,692	10,037	10,569	31,233	31,736	42,248

*Includes the provision for legal claim of ₹1,218 crore. Refer note 2.

Note: The assets and liabilities of the Group are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence, assets and liabilities have not been identified to any of the reportable segments.

Select explanatory notes to the Statement of Audited Consolidated Interim Financial Results for the three month and nine month period ended December 31, 2020

1. These results have been prepared in accordance with the Indian Accounting Standard (referred to as “Ind AS”) 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 8, 2021. The statutory auditors have expressed an unmodified audit opinion on these results.
2. Pursuant to ruling at the Appeals Court on August 20, 2020, in the case relating to Epic Systems Corporation (referred to as Epic) for alleged unauthorised access to and download of Epic’s confidential information and use thereof in the development of the Company’s product MedMantra, the Company had provided ₹1,218 crore (US \$165 million) towards this legal claim in its statement of profit and loss for the three month period ended September 30, 2020. This has been presented as an “exceptional item” in the statement of profit and loss. The Company filed a petition for re-hearing of the awards for both compensatory and punitive damages at the Appeals Court on September 3, 2020. Epic also filed for re-hearing of the Appeals Court’s decision that invalidated a portion of the award of punitive damages. In November 2020, the petitions for re-hearing filed by the Company and Epic, respectively, were denied by the Appeals Court. The proceedings for assessing punitive damages have been remanded back to the District Court. The Company will continue to pursue all legal options available in the matter.
3. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
4. The Board of Directors at its meeting held on October 7, 2020, approved a proposal to buy-back upto 5,33,33,333 equity shares of the Company for an aggregate amount not exceeding ₹16,000 crore, being 1.42% of the total paid up equity share capital at ₹3,000 per equity share. The shareholders approved the same on November 18, 2020, by way of a special resolution through postal ballot. The period for tendering of shares for buy-back was from December 18, 2020 to January 1, 2021. The settlement of all valid bids was completed on January 5, 2021, and the equity shares bought back were extinguished on January 6, 2021. Pursuant to the issuance of Letter of Offer, the Company has recorded a liability towards buy-back of equity shares of ₹16,000 crore and the corresponding tax payable of ₹3,726 crore as at December 31, 2020.
5. Tata Consultancy Services Netherlands BV, a wholly owned subsidiary of the Company, as a part of an overall arrangement, signed a definitive agreement on January 1, 2021, to obtain entire equity stake in Postbank Systems AG (PBS), a subsidiary of Deutsche Bank AG, at an agreed consideration.
6. The Company incorporated a wholly owned subsidiary, Tata Consultancy Services Ireland Limited in Ireland on December 2, 2020.
7. CMC Americas, Inc., a wholly owned subsidiary of the Company incorporated in USA, was liquidated w.e.f. December 16, 2020.
8. Equity stake in Technology Outsourcing S.A.C., a wholly owned step-down subsidiary at Peru, was sold on December 1, 2020, at book value.
9. The Board of Directors at its meeting held on January 8, 2021, has declared an interim dividend of ₹6.00 per equity share.
10. The results for the three month and nine month period ended December 31, 2020, are available on the BSE Limited website (URL: www.bseindia.com/corporates), the National Stock Exchange of India Limited website (URL: www.nseindia.com/corporates) and on the Company’s website (URL: www.tcs.com/investors).

For and on behalf of the Board of Directors

Mumbai
January 8, 2021

Rajesh Gopinathan
CEO and Managing Director

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Audited Unconsolidated Interim Statement of Financial Results

(₹ crore)

	Three month period ended			Nine month period ended		Year ended
	December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
	2020	2020	2019	2020	2019	2020
Revenue	34,957	33,365	33,040	99,946	98,084	131,306
Other income	2,096	1,734	1,206	4,536	6,049	8,082
TOTAL INCOME	37,053	35,099	34,246	104,482	104,133	139,388
Expenses						
Employee benefit expenses	17,779	17,211	16,333	51,627	48,263	64,906
Fees to external consultants	3,548	3,404	3,484	10,339	10,404	13,916
Cost of equipment and software licences	331	224	378	839	1,233	1,596
Depreciation and amortisation expense	771	755	677	2,265	1,977	2,701
Other operating expenses	2,621	2,440	3,400	7,783	10,084	13,535
TOTAL EXPENSES	25,050	24,034	24,272	72,853	71,961	96,654
PROFIT BEFORE FINANCE COSTS, EXCEPTIONAL ITEM AND TAX	12,003	11,065	9,974	31,629	32,172	42,734
Finance costs	159	149	200	426	532	743
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX	11,844	10,916	9,774	31,203	31,640	41,991
Exceptional item (Refer note 2)						
Provision towards legal claim	-	1,218	-	1,218	-	-
PROFIT BEFORE TAX	11,844	9,698	9,774	29,985	31,640	41,991
Tax Expense						
Current tax	2,968	2,522	2,692	7,813	6,765	9,012
Deferred tax	(366)	(272)	(601)	(614)	(158)	(281)
TOTAL TAX EXPENSE	2,602	2,250	2,091	7,199	6,607	8,731
PROFIT FOR THE PERIOD	9,242	7,448	7,683	22,786	25,033	33,260
OTHER COMPREHENSIVE INCOME (OCI)						
Items that will not be reclassified subsequently to profit or loss	(187)	1	(225)	(50)	(276)	(409)
Income tax on items that will not be reclassified subsequently to profit or loss	40	-	63	11	58	86
Items that will be reclassified subsequently to profit or loss	126	(162)	(229)	608	212	812
Income tax on items that will be reclassified subsequently to profit or loss	(71)	73	44	(224)	(137)	(315)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)	(92)	(88)	(347)	345	(143)	174
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,150	7,360	7,336	23,131	24,890	33,434
Paid up equity share capital (Face Value : ₹1 per share)	375	375	375	375	375	375
Total Reserves						73,993
Earnings per equity share:- Basic and diluted (₹)	24.63	19.85	20.47	60.72	66.71	88.64
Dividend per share (Par value ₹1 each)						
Interim dividend on equity shares (₹)	6.00	12.00	5.00	23.00	55.00	67.00
Final dividend on equity shares (₹)	-	-	-	-	-	6.00
Total dividend on equity shares (₹)	6.00	12.00	5.00	23.00	55.00	73.00
Total equity dividend percentage	600	1,200	500	2,300	5,500	7,300

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For and on behalf of the Board of Directors

Mumbai
January 8, 2021

Rajesh Gopinathan
CEO and Managing Director