TATA CONSULTANCY SERVICES

TATA

Building on belief

Integrated IFRS Annual Report 2020-21

Backdrop: The iconic campus of the Tata Research Design and Development Center at Hadapsar in Pune, India

Content

About TCS[1]

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

A part of the Tata group, India's largest multinational business group, TCS has over 488,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US $22.2 billion in the fiscal year ended March 31, 2021, and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India.

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

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

Theme

This year's theme is TCS' new brand statement, `Building on Belief', which encapsulates the active and collaborative role that TCS plays in partnering with customers over the long term, leveraging its contextual knowledge, investments in research and innovation, and technology expertise to help them grow, and achieve their purpose-led transformation goals.

Forty years ago, the farsighted and pathbreaking decision to set up the Tata Research, Design and Development Center (TRDDC) in Pune, epitomizes this theme. It was driven as much by FC Kohli's passion for research as JRD Tata's belief in building the nation's intellectual capital through institutions of higher education and research in different domains.

With a mandate to pursue technology research across a broad set of domains for the betterment of Indian industry, TRDDC went on to make outstanding contributions particularly in the area of industrializing software engineering, systems engineering, material sciences, bio-informatics and genomics. Much of TCS' intellectual property and its award-winning suite of products and platforms, all of which differentiate TCS significantly in the market today, owe their genesis to work done by TRDDC.

Recent Annual Report Themes

FY 2020
Purpose-Driven. Resilient. Adaptable

FY 2019
Growth and Transformation with Business 4.0™

FY 2018
Dawn of Business 4.0™

FY 2017
Reimagining the Enterprise

FY 2016
Shaping the Future

Board of Directors

Non-Independent, Non Executive

N Chandrasekaran
Chairman
C C M

Aarthi Subramanian
M M

Independent, Non Executive

O P Bhatt
C M M

Don Callahan
M M

Keki M Mistry
C C M

Dr Pradeep Kumar Khosla
C M

Hanne Birgitte Breinbjerg Sorensen
M M

Non-Independent, Executive

Rajesh Gopinathan
CEO & MD
M M M

N G Subramaniam
COO
M M

Average Age (Years)

Average Tenure on the Board (Years)

Board Independence (%)

56%
Independent

44%
Non-Independent

Average Tenure of Independent Directors on the Board (Years)

Board Committees

C Chairman M Member

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Executive Committee
- Risk Management Committee*

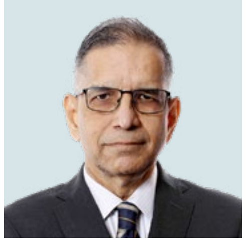
* Ramakrishnan V (Chief Financial Officer), is also a member of the Committee

Management Team

Corporate

Rajesh Gopinathan
Chief Executive Officer and Managing Director

N G Subramaniam
Chief Operating Officer and Executive Director



V Ramakrishnan
Chief Financial Officer

Milind Lakkad
Chief Human Resources Officer

Samir Seksaria
Head - Business Finance and CFO Designate

Rajashree R
Chief Marketing Officer

K Ananth Krishnan
Chief Technology Officer

Madhav Anchan
General Counsel Legal and Corporate Affairs

Rajendra Moholkar
Company Secretary

Business Heads

Surya Kant
Chairman - TCS North America

Krishnan Ramanujam
Business and Technology Services

K Krithivasan
Banking, Financial Services and Insurance

Shankar Narayanan
Retail, Travel and Consumer Products

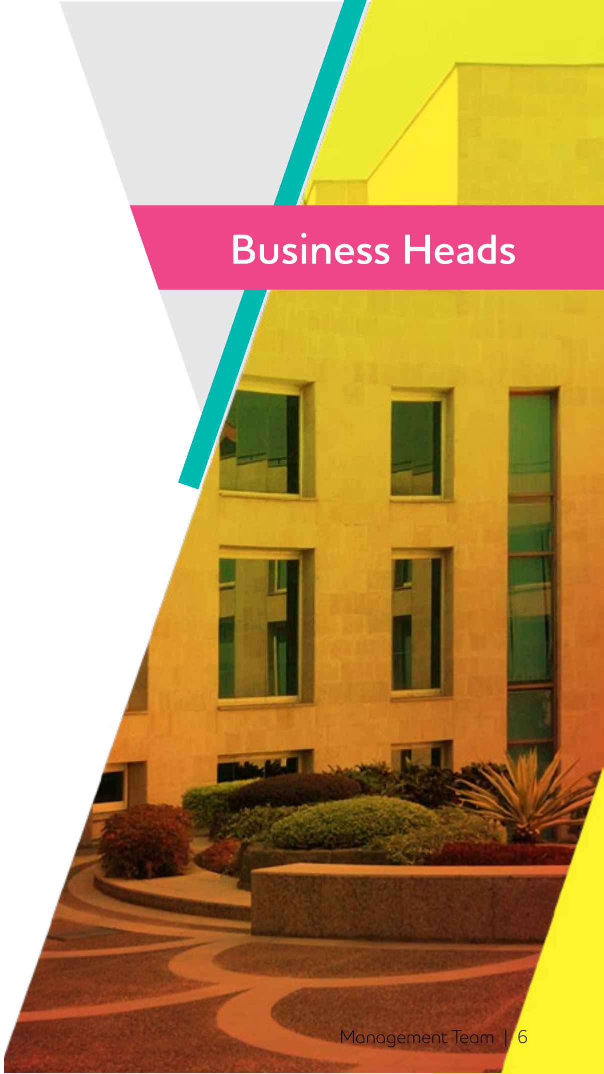
Kamal Bhadada
Communication, Media and Information Services

Amit Bajaj
North America

Suresh Muthuswami
BFSI Platforms

Susheel Vasudevan
Manufacturing and Utilities

Debashis Ghosh
Life Sciences, Healthcare and Public Services



Letter from the Chairman

Dear Stakeholder,

Even as I write this, India and many other parts of the world are in the grip of second or even third waves of the pandemic, much fiercer than anything we saw last year. It is a health crisis of the kind we have not seen in generations. My heart goes out to everyone out there who has suffered the loss of loved ones. I am confident we will eventually get it under control, but until then, I urge you to stay safe, follow covid discipline, get vaccinated if you are eligible and keep your spirits up.

On the business front, your company weathered the pandemic very well. It adapted quickly and embraced a new operating model that prioritized the health and wellbeing of its employees, while enabling it to continue supporting its customers not just in their mission-critical operations but also in their growth and transformation journeys. Its Vision 25x25 and pioneering work around talent clouds have reinforced its credentials as a thought leader on the future of work, and a trend setter in the industry.

TCS' agility, resilience and responsiveness during the crisis earned it tremendous goodwill from customers and enhanced its standing in the market. After the initial impact from lockdown-related disruptions, it swiftly returned to a sharp growth trajectory over the next nine months, and exited the year on a very strong note, with an expanded market share, industry-leading profitability and an all-time high order book.

Technological change is far more perceptible when it comes to consumer technology, and less so in the enterprise world. Enterprise adoption of new technologies tends to be very measured, and it is only much later, with the benefit of hindsight, that the scale of change and the key inflection points become more evident. To my mind, the year gone by saw an important inflection point that has huge ramifications on enterprise consumption of technology in the coming years, and on demand for your company's services.

The pressing need for operational resilience and for enhancing customer experiences in digital channels accelerated enterprise decision-making, committing to future technology investments around the all-encompassing hyperscaler cloud stacks. This represents an important inflection point in the enterprise embrace of the cloud, and will drive significant spending on migrating workloads to public clouds in the coming years.

Moving workloads to the cloud is just the start of their digital transformation journeys. The rich native capabilities of these stacks, particularly in the areas of analytics, machine learning and artificial intelligence open up a vast array of possibilities for enterprises to pursue new business models, address new customer segments, and provide highly personalized, differentiated experiences across the entire customer journey.

Your company is very well positioned to benefit from this multi-year technology upgradation cycle, and help customers translate their transformative visions into reality. To better articulate its mission and its aspirations, your company adopted a new brand statement this year, `Building on Belief'. I think it describes what TCS does very accurately, and also reflects the ethos of the Tata Group and its evolution over the last century and a half.

Your company has been guided by a set of strong beliefs, right from the time it was founded. Belief in our core values, belief in putting the customer above all, belief in investing in people and empowering them, belief in constantly trying out new ideas and models, and belief in doing right by all the stakeholder communities we work with. This is why the new brand statement resonates so well, and feels so right.

Looking ahead, your company sees immense opportunities for growth, riding the new technology cycle that has kicked off, powered by the belief that its differentiated capabilities and collaborative, solution-centric approach makes it the preferred transformation partner of its customers. It is building on that belief, and investing in sharpening the capabilities needed to expand its footprint in this large opportunity.

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

Warm regards,

N Chandrasekaran
Chairman

Letter from the CEO[1]

Dear Stakeholder,

It has been a difficult year for everybody. Despite the ferocity with which the second and third waves of the pandemic are now hitting us, we are in a far better place as we exit FY 2021 than we were at the start. With a plethora of vaccines and new therapies that modern science and the pharmaceutical industry have delivered at unmatched speed, humanity is not as helpless as when the pandemic first struck. We are a resilient and adaptable species. With discipline, focus and fortitude, we shall overcome.

Our business performance in the year gone by is also a reflection of that innate resilience and adaptability. In the early months of the pandemic, when the worldwide lockdown disrupted economic activity across virtually all sectors, your company responded with speed and agility, embracing a new operating model, Secure Borderless Workspaces (SBWS™). Working remotely, our teams helped customers maintain business continuity during peak disruption, and thereafter, to accelerate their growth and transformation (G&T). The dedication shown by TCSers, our agility and our innovation, won us much appreciation from our customers, and incremental business.

Despite a sharp fall in revenues in the first quarter, progressively strengthening demand for our services helped us stage a swift recovery during the rest of the year, helping clock full year revenues of **$22,174 million** in FY 2021, growing **0.7%** over the prior year in reported terms, and degrowing by **0.8%** in constant currency terms.

The uneven impact of the pandemic on the different sectors shows up clearly in our segmental reporting. Three of our six industry verticals showed growth (in constant currency) over the prior year. As is to be expected in a pandemic year,

[1] 102-14

when the world looked to the pharma majors to save humanity from the scourge of disease, our Life Sciences and Healthcare business grew **17.1%**. The other two verticals were Banking, Financial Services and Insurance which grew **2.4%**[1], and Technology and Services which grew **0.2%**.

Our operating margin continued to be industry-leading at **25.9%***, an expansion of **1.3%*** over the prior year. Net profit was **$4,513 million*,** a net margin of **20.3%***. Our cash conversion continues to be very strong, with a cash conversion ratio of **123.1%** * and free cash flow of **$5,131 million**, growing **13.0%** over the prior year.

The Board has recommended a final dividend of **$0.2** for the year, bringing the total dividend for the year to **$0.51** per share. In keeping with our shareholder friendly capital allocation policy, your company has paid out **$4,604 million** in dividends and a buyback in FY 2021, amounting to **89.7%** of the free cash flow.

Strong Business Momentum

Demand was driven by the confluence of two big trends. First, with consumers preferring contactless, digital transactions, enterprises were forced to rely more on their digital channels, and in some cases, switch entirely to online-only modes, triggering a lot of investment in not just front-end transformations and personalization of the customer experience, but also at the back end, to simplify and digitize processes, reduce turnaround times for customer service requests and enhance the end-to-end customer journey.

Second, the pandemic drove home the downsides of carrying technology debt, and the need for greater resilience and agility within enterprises. This resulted in several core transformation engagements around building a lean, secure and adaptive digital core, encompassing operations, digital workplaces, applications, data, the underlying infrastructure and cybersecurity.

In terms of technology choices, both these drivers converged on the hyperscaler cloud stacks, also known as public clouds. FY 2021 will be remembered as the year when many enterprises took the leap and committed to channeling their future technology investments into one or more of these cloud stacks, significantly accelerating what had been a measured movement over the last few years.

This decision triggered many engagements around cloud migration, application modernization and data modernization. As a precursor to the core transformation and cloud migration, many customers are revisiting their current operations to look for opportunities for optimization and to free up resources to support their core transformation. Some customers embarked on significant operating model transformations as they sought out strategic partners with strong capabilities and shared values. There was also increased activity around traditional outsourcing.

These trends resulted in a steady and strong flow of deals of all sizes, across all our industry verticals, throughout the year. We had two large deal wins, with Deutsche Bank and with Prudential Financial Inc respectively, that saw us strengthen our German presence and establish a strong local presence in Ireland. The order book signed every quarter was higher than that in the prior year. We closed the year with an all-time high quarterly TCV of **$9.2 billion**. The full year order book was **$31.6 billion**, our highest ever, representing a growth of **17.1%** over

We see this technology shift as the start of a multi-year technology upgradation cycle in which the abundance of native capabilities will constantly expand the art of the possible, opening up newer opportunities for technology-driven differentiation.

[1] Excluding Regional Markets and Others

*Excluding an exceptional item provided towards a contested legal claim the prior year.

A Multi-year Technology Cycle

The enterprise embrace of the hyperscaler cloud has ramifications that go beyond the current year, extending to the medium and the longer term as well. This is a decadal technology shift that goes far beyond just the server and storage aspects of the IT infrastructure, and represents a crystallization of technology choices at a much broader level.

This is because all the major hyperscale providers have been steadily building out their technology stacks over the last few years, expanding the offerings to include richer native choices around databases, data warehouses, applications and even cutting-edge tools like machine vision, conversational systems, AI, ML and IoT. Today's public cloud is no longer just a very large and inexpensive third-party data center, but a holistic, all-encompassing technology ecosystem. Once an enterprise enters this ecosystem, it is virtually certain that all of its future innovation and technology programs will stay within that ecosystem.

Our verticalized, customer-centric organization structure has helped us foster domain and contextual knowledge within the Industry Solution Units. Our sustained investments in organic talent development, in research and innovation, and in creating intellectual property have helped build up solutioning expertise and boost our innovation credentials.

So we see this technology shift as the start of a multi-year technology upgradation cycle in which the abundance of native capabilities will constantly expand the art of the possible, opening up newer opportunities for technology-driven differentiation.

Of course, the technology by itself doesn't deliver differentiation. If anything, cloud models are predicated on standardization and commoditization. Differentiation takes place when enterprises invest in bespoke solutions that harness the native capabilities of the cloud, and are contextualized to each customer's unique circumstances, which amplify their unique strengths, and manage the nuances and idiosyncrasies to reduce risks. This is exactly what we have been doing for our customers over the last few years, leveraging our deep contextual knowledge of their business and technology landscapes, our research and innovation, intellectual property and expertise across digital technologies.

Given the ever-increasing reliance of enterprises on technology to drive differentiation, and to power their growth and transformation, we see our customers' cloud transformation journeys play out over three horizons, spread over the next three to five years and beyond.

The events of FY 2021 have kickstarted the journey across the first of those horizons for many enterprises. Migration to the cloud, by itself, is a material transformation program that will play out over the next two to three years, depending on the complexity of the IT landscape. The outcome of this first phase of transformation will be a resilient, future-ready digital technology stack that supports leaner, more agile operations and serves as a scalable foundation for growth and the subsequent horizons of transformation.

Enterprises will start realizing the full value of their cloud investments in the subsequent two horizons. In the second horizon, we expect to start helping our customers leverage the rich native capabilities of these stacks around analytics, AI and ML to build new systems of customer engagement, new systems of differentiation and experiment with new business models.

As more and more enterprises get on to this journey, the cloud will become the seamless technology fabric that will bring together enterprises from across industries to form collaborative ecosystems which co-innovate around their individual products and services. It will help launch larger, purpose-driven offerings, each representing much more value to their common customers than the sum of its parts. We believe this boundaryless innovation has the power to change industry after industry. Given our deep domain knowledge across multiple industry verticals, and our work on innovation at their intersections, it presents us an opportunity to be the transformation agents and potential orchestrators of such ecosystems.

Building on Belief

With many of our customers embarking on multi-year, enterprise-wide transformation journeys, we are very well positioned to benefit from this expanding opportunity. Most importantly, we believe that this represents a unique opportunity to redefine how enterprises have traditionally approached transformations.

We believe that enterprises can build sustainable, inclusive, and greater futures for their stakeholders by adopting an organic, inside out transformation model, rather than outside in, externally driven standardized change agendas. Our own journey over the last two decades in one of the most competitive industries in the world highlights the strengths of this approach. Our transformation approach values the collective knowledge between us and the customer, and combines it with a deep understanding of technologies and an innovation mindset to build their aspirations into reality.

This differentiated approach is helping us win several G&T engagements that represent a promising beachhead in a market where our participation has been quite low traditionally.

We are very proud of this early success. Our path to getting to where we are today, systematically investing to acquire the necessary capabilities and customer mindshare, has been very differentiated, very organic and very TCS. Our verticalized, customer-centric organization structure has helped us foster domain and contextual knowledge within the Industry Solution Units. Our sustained investments in organic talent development, in research and innovation, and in creating intellectual property have helped build up solutioning expertise and boost our innovation credentials. Moreover, we have created structures that help stitch together different capabilities from across TCS to put together holistic solutions that help our customers achieve their business objectives.

Our focus and investments will now be on growing further and gaining more market share in this space. Towards this, we are investing in deepening our transformation capabilities. While we stay open to inorganic acquisitions, our focus and commitment to organic talent development remains unwavering.

We also refreshed our brand last month, and launched a new brand statement, `Building on Belief', to reflect who we are today, and to support our, and our customers' aspirations in the G&T space. It celebrates the power of reinvention and instils hope into business and trust in the enterprise.

In addition to hiring more management graduates, we are scaling up our highly successful Contextual Masters program, that identifies individuals who have developed deep contextual knowledge on the job and are using that to create value for our customers. We have launched newer learning and development initiatives that will identify high potential candidates and put them through experiential courses that will help them become more effective transformation leaders. We are strengthening our partnerships with large technology providers as well as startups, academia and domain specialists towards co-innovating and collaborating to create new service

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Purpose, People, Planet

I have spoken earlier[2] about how a purpose-driven approach can infuse greater resilience, adaptability and innovation within the organization, and drive greater rootedness in the community. In FY 2021, alongside a new brand statement, we also articulated our core purpose: building greater futures through innovation and collective knowledge.

The first three words capture our forward-looking worldview very well. We truly believe that everything we do should result in better outcomes, and therefore greater futures, for our stakeholders. The emphasis on innovation and collective knowledge represents core tenets of the belief system that has sustained TCS over the last five decades, and shaped our culture and guided our strategy.

It was this purpose-led approach which helped us keep our employees safe and well even during the bleakest phases of this pandemic. The proactive outreach of our HR, touching over 400,000 employees, the 24/7 medical hotline, online counseling services, and virtual sessions to foster physical and emotional wellness brought us all closer together during the year. We tied up with ambulance services and hospitals and set up isolation centers and quarantine accommodation at our facilities to help employees cope with the disease and to ease the load on stretched local medical infrastructure.

Our emphasis on organic talent development is a natural outcome of this belief system, to help our employees realize their potential. TCSers collectively logged **43 million** learning hours in FY 2021, building expertise in a broad range of digital technologies that will be critical to our customers' transformation needs.

We honored all the job offers we had made pre-pandemic, and also onboarded all the trainees to whom we had given offer letters. We had our normal annual salary increase in October, and promotions as well. In line with the strong recovery in demand, we also ramped up our lateral hiring during the second half of the year and ended the year with a net addition of **40,185**. By onboarding over 60,000 freshers over the last couple of years and training them on the technologies most in demand, we have created for ourselves, a secure talent pool to support the growth ahead.

While this influx of fresh talent is very important for our growth, even more critical has been our ability to consistently retain the talent that we have cultivated and grown in the organization. This year, we set a new benchmark in talent retention. Our attrition in IT services was **7.2%**, the lowest in the industry globally, and an all-time low by our own standards.

[2] Letter from the CEO, Integrated Annual Report, FY 2019-20

We continued to work with communities across the world, pursuing our long-standing commitment to programs in the areas of health, STEM education, skills development and the bridging of digital divides. In addition, we helped in the fightback against the pandemic. Our researchers used AI to identify promising new molecules which could potentially inhibit the spread of the virus. Our data marketplace solution is powering a critical national initiative to double India's COVID testing capacity.

Even more fulfilling is the work we do for our customers which helps further their mission to save lives. In the Life Sciences domain, our teams used our innovative platform to streamline drug development processes, speed up clinical trials, and help pharma companies rush new therapies and vaccines to the market. At a time when the world desperately needed more ventilators and manufacturers were struggling to increase production, our team worked with the engineers at GE Healthcare to automate the late-point configuration of ventilators. This reduced the production time per ventilator by 6 minutes, enabling production of an additional 340 ventilators per month, helping ease suffering and saving lives.

On the environment front, while I am pleased that our large-scale switch to remote working helped us cut our absolute carbon footprint by 48.8% over the prior year, we are working on a longer-term roadmap to neutralize our carbon footprint and bring down atmospheric carbon towards helping the world reach net-zero levels by 2050.

Our Vision 25x25 will be pivotal in this fight for our planet. Equally important is the leading role we are playing in helping our customers become more energy efficient, whether it is by deploying our Clever Energy solution that uses IoT and AI to remotely monitor and optimize energy consumption across distributed facilities, or by helping them switch from energy-inefficient in-house data centers to more efficient public clouds.

Looking Ahead

We are entering FY 2022 with strong growth momentum and with much better visibility for future growth than we did last year, powered by a strong order book built up throughout the year and a robust deal pipeline. In the medium and longer term, we see strong structural growth drivers triggered by the multi-year technology refresh cycle that our customers are embarking on, and their increased focus on G&T initiatives.

The G&T opportunity is very large, and yet to be fully scoped. The transformation imperative will only strengthen over time, and as new technologies emerge, new combinatorial possibilities will open up, driving further investments by our customers. So we believe this market will see tremendous growth in the coming years.

That puts us in a very advantageous position. In addition to the large outsourcing opportunity which we continue to dominate, we are now entering a large, growing opportunity that significantly expands our addressable market. It is an exciting growth journey we are embarking on for the next few years. We thank you for your trust and look forward to your continued support on the journey ahead.

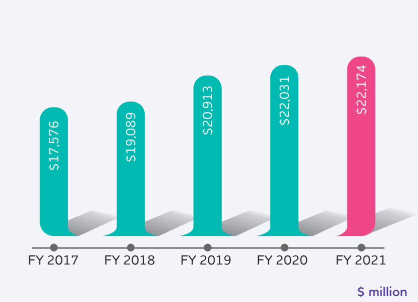
Best Regards,

Rajesh Gopinathan
Chief Executive Officer & Managing Director

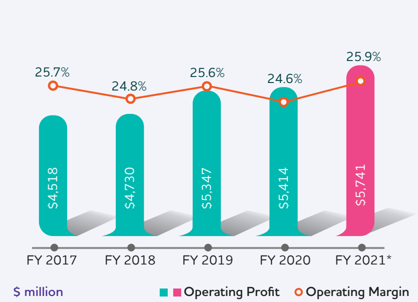
Performance Highlights[1]

Revenue Trend

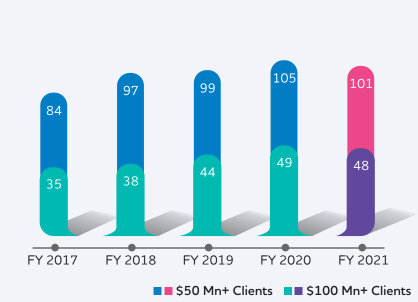
CAGR 6.0%



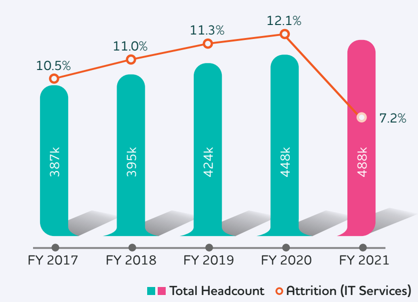
Operating Profit Trend



Client Metrics

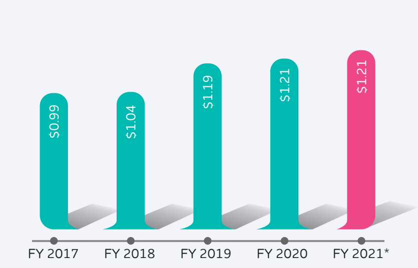


Employee Metrics



Earnings per share^ (Amount in $)

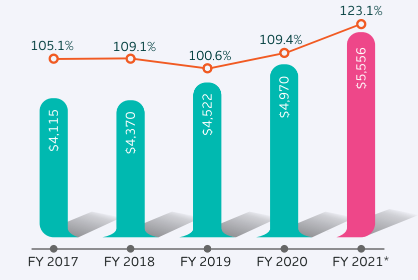
CAGR 5.1%



^Earnings per share is adjusted for bonus issue

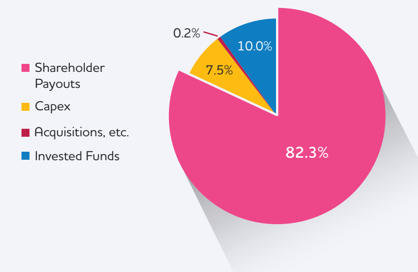
OCF# and Cash Conversion

$ million



Operating Cash Flow

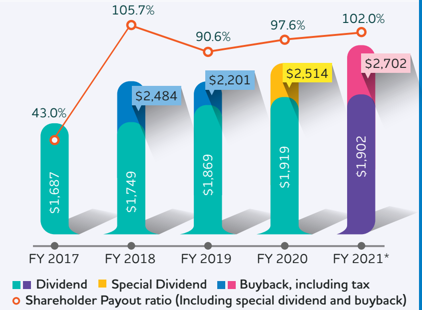
Cash Usage##



Cash usage for the period FY 2017 to FY 2021

Shareholder Payouts

$ million



Includes proposed final dividend

* FY 2021 numbers are excluding provision towards legal claim

[1] 201-1

The Year Gone By

Q4 Unveiled a new brand statement, **'Building on Belief'**, to articulate TCS' mission and relationship with customers, and putting its vast experience in purpose-led transformation at the core of its brand story as it embarks on its next decade of transformation-led growth.

Ranked #2 in the PEAK Matrix® IT Service Provider of the Year: ITS Top 20 by Everest Group, for being a Leader in 18 evaluations and a Star Performer in 4, in 2020. Additionally, TCS was named the **Leader of the Year** in Application Services and in Life Sciences, and the **Star Performer of the Year** in Healthcare.

Launched the **TCS COVID-19 Testing and Vaccine Management Suite** of modular, easy-to-deploy solutions that leverage AI, robotics, blockchain and the Internet of Things (IoT) to streamline every stage of the end-to-end testing and vaccination journeys, enabling more individuals to get tested and vaccinated faster and return to normal life experiences.

Completed the **third successful share buyback** in four years, to the tune of **$2,192 million** at $40.87 per share, through the tender offer route, extinguishing 5.3 crore equity shares, representing about 1.42 percent of the total equity.

EUROPE RANKS TCS #1 in CUSTOMER SATISFACTION

8 th YEAR in a row

#1 IN CUSTOMER SATISFACTION
2020/21 EUROPE
Whitelane Research

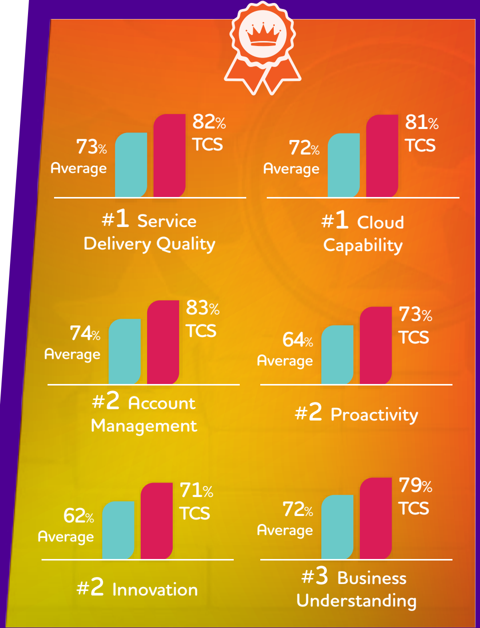
EUROPEAN IT CUSTOMER SATISFACTION SURVEY BY WHITELANE RESEARCH

1700+ CXOs Polled

Across 13 European Countries

Combined annual value of contracts over €40 BILLION

4050+ IT Contracts



82% CUSTOMER SATISFACTION for TCS

Industry Average 72%

#1 in 12 European countries

(Belgium, Luxembourg, United Kingdom, France, Nordics, Netherlands, Switzerland, Germany & Austria)

"TCS has showcased their capabilities, flexibility and agility in supporting their clients in their digital transformation efforts regardless of the situation. They have more than proved to be the reliable, innovative and trusted digital partner customers are looking for.

-JEF LOOS, HEAD OF RESEARCH, WHITELANE RESEARCH

*BASED ON STUDIES CONDUCTED BY WHITELANE RESEARCH, PA CONSULTING, QUINT WELLINGTON REDWOOD, NAVISCO AND VLERICK BUSINESS SCHOOL IN 2020.

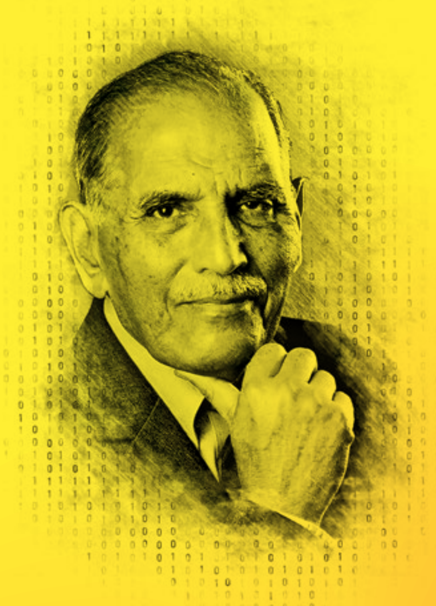
Ranked **#1 in Customer Satisfaction** across Europe in an independent survey of 1,700 CxOs of top IT spending organizations by Whitelane Research. Additionally, in the individual country rankings, TCS was **ranked #1** in UK, France, Germany, Austria, Switzerland, Netherlands, Belgium, Luxembourg and the Nordics.

Ranked among the **Top 3 brands in IT services** by Brand Finance; TCS clocked the highest absolute brand value growth in the sector in 2020 and was named the fastest growing brand in the industry over the last decade (2010-2020).

Q3

Augmented the Banking Service Bureau built and run by TCS for the digital banking industry in Israel, with a new transformative **Digital Bank Guarantee platform**, powered by the Quartz® Blockchain solution. Bank Hapoalim, Israel's largest bank that manages over 30% of the total bank guarantees in the country, is the anchor customer for the SaaS platform.

Launched **TCS Clever Energy™**, an energy and emission management system that uses a digital twin setup based on IoT, AI and cloud, to help commercial and industrial organizations manage their energy consumption better, drive energy and cost efficiencies, decrease carbon emissions, and accelerate their carbon neutral journeys.



Shri Faqir Chand Kohli

19th March 1924 – 26th November 2020

Your sense of purpose. Your clarity of vision.
Your unwavering belief in investing in people.
These have shaped TCS into what it is today.
We continue to draw inspiration from
your pioneering spirit.

The TCS family deeply mourns the passing of its founding CEO and the Father of Indian IT Industry.

Mourned the passing of **FC Kohli ("FCK"), TCS' first CEO**, and the Father of the Indian IT Industry, at the age of 96. FCK came on board in 1969 and led the company for the next 27 years, navigating multiple technology waves by continually investing in people and in research and innovation.

Established a **strategic partnership with Prudential Financial Inc (PFI)**, that saw over 1,500 employees of Pramerica Systems Ireland Ltd, PFI's Irish subsidiary, transfer to TCS' new global delivery center in Ireland. Besides expanding the PFI relationship, the new center enhances TCS' nearshore capability to provide a range of services to customers in Ireland, the UK, Europe and the US.

Deepened the relationship with Deutsche Bank by acquiring its subsidiary, **Postbank Systems AG (PBS)**, its full-range IT captive that provides project management, application management and infrastructure support services. The addition of **PBS'** 1,500 employees further adds to TCS' scale in Germany, and strengthens its growth outlook.

Selected as a **Superbrand**, in the US and UK, based on the strength of its brand reputation across channels, business performance, industry-leading job creation, scale of employee training and development, and dedication to nationwide corporate social responsibility initiatives.

Q2 Launched new cloud practice units to gain leadership in the rapidly expanding opportunity around the three major hyperscale platforms – AWS, Microsoft Azure and Google Cloud Platform. Each unit is a full-service, multidisciplinary organization offering customers the full range of transformational and operational services on the respective technology stacks, spanning advisory services, migration, application and data modernization, including SaaS and enterprise productivity suites, infrastructure, cyber-security and edge.

The **Contextual Masters program** that recognizes experienced TCSers who demonstrate high levels of contextual knowledge, crossed the 10,000 masters milestone. Contextual knowledge is highly valuable tacit knowledge about a customer's business, operations and technology landscape, acquired on the job by immersing oneself into that environment, a key differentiator for TCS.

Operationalized 10 new **Threat Management Centers**, at Bloomington, Minnesota – US, Manchester – UK, Madrid – Spain, as well as at major Indian cities. These will offer comprehensive and integrated cybersecurity and threat management services across IT, OT, IoT and cloud ecosystems, helping customers stay secure and cyber-resilient while meeting local data- and cyber-sovereignty regulations.

Ran a TV campaign in India for the first time, titled **#TCSPartOfYourStory**, showcasing the central role played by TCS in building the technology backbone of Digital India, transforming various sectors, and becoming part of every Indian's life.

Launched **TCS Safe Workplace**, a return-to-work solution for global enterprises that uses existing enterprise platforms to create a workplace command center that assesses the readiness of employees, the work environment and the workforce model; automates the return-to-work processes, including contact tracing, shift management, and workspace planning; and monitors critical risk factors.

Opened up the game-changing **National Qualifier Test (NQT)** to other corporates, making it a common gateway test for fresher recruitment. This standardized test will provide candidates with access to open positions at multiple corporates, while helping corporates get an in-depth understanding of applicants' cognitive abilities and reduce evaluation overheads.

Ranked **#2 by revenue** in the UK market for software and IT services in TechMarketView's UK SITS rankings, up from #5 in 2019. Further, based on revenues earned, TCS was ranked #1 in Applications and #2 in Consulting and Solutions.

Built and deployed a blockchain-based digital supply chain platform, powered by the **TCS Data Marketplace solution**, to support Indigenisation of Diagnostics, an ambitious new project launched by the Government of India to scale up indigenous Covid-19 diagnostic test-kit production capacity to a million test kits a day.

Q1

Held India's **first ever virtual AGM**, enabling participation by a record number of shareholders from different parts of India, some of them for the very first time. Access to the videoconference was from the NSDL e-voting page, seamlessly linking the event to the online voting process as well.

Successfully deployed **TCS DynaPORT**, a state-of-the-art terminal operating system at Tilbury2 Ro-Ro, London's latest freight ferry terminal. TCS implemented this solution in under twelve weeks, 100% virtually during the COVID-19 lockdown, leveraging the Secure Borderless Workspaces™ (SBWS™) model.

Launched a SaaS version of the ignio™ suite of autonomous software. Further, the suite was expanded to include three new products: **ignio Cognitive Procurement** to help enterprises make smarter purchase decisions, **ignio AI.Digital Workspace**, a self-healing, end-user experience management software, and **ignio Studio**, a low-code toolkit that allows customers to extend the out-of-the-box capabilities of the ignio software suite.

Offered free of cost access to **TCS iON Digital Glass Room**, a virtual learning platform, to educational institutions in the US, Europe and India, to enable educators and students to connect in a secure virtual environment, moving lessons from classrooms to interactive digital glass rooms.

Fully institutionalized the **SBWS operating model** and also replicated it for customers. The model was strengthened with additional analytics and extended to cover the end-to-end customer engagement lifecycle, including prospecting, sale and even new project ramp ups.

TRDDC: Built on a Belief in the Future

The idea of setting up a technology research center in India, when none existed, was born out of a core belief that the future would be shaped by computers, and that R&D was key to value creation. For FC Kohli ("FCK"), the visionary who helmed TCS in its start-up years, the complete lack of technology research in India in the 70s was simply unacceptable. Around 1980, having launched TCS' global ambitions with the first overseas office in New York, he turned his attention to this problem.

He commissioned academicians at MIT and the University of Waterloo to think through the scope and mandate of such a center, and come up with a report. He pulled in Prof E C Subba Rao, who was teaching at IIT Kanpur to drive this endeavor. At the time, an industrial research center by a business house was unheard of in India. But the House of Tatas, with its history of pioneering many other firsts, was best suited for it. JRD Tata was very supportive. He was keen that the Group establishes an institution that would apply science and technology for the benefit of Indian industry and people.

So it came to be that FCK's dream was realized on October 8, 1981, the new Tata Research Design and Development Centre (TRDDC), was officially open. Right from the start, TRDDC's mandate was broad, researching problems not just in IT, but also in other domains. This too was an outcome of FCK's belief that "*computers would be the tool that all industry would use, willy-nilly, in the future.*"

Mastering Automation

A core research theme at TRDDC in its early years was a topic close to FCK's heart – the automation of software development. The technology landscape in the 80s was in a state of ferment, with newer, more powerful computers, operating systems, databases and programming languages. But software was still hand coded and very artisanal. So customers wishing to upgrade were dissuaded by the effort and cost of re-engineering their existing systems.

TRDDC built language translators, converters and compilers using which TCS was able to win many of these upgradation opportunities. It used automation to transform the legacy systems much faster, and with higher quality, reliability and traceability than its competitors of that era. TRDDC's tools foundry represented the ultimate conversion toolset, automatically generating compilers for any source and target programming language. Depending on the needs of individual projects, compilers could be created on demand and shipped to those project teams.

Continued research around software engineering and systems engineering culminated in the development of a suite of software tools that could extract business logic from legacy code, and automatically generate high quality code in any desired programming language from a model. These resulted in the TCS MasterCraft™ suite of intelligent automation products that is today the mainstay of customers' application and data modernization programs as part of their cloud transformation journeys.

Innovating at the Intersections

TCS' collaborative approach to co-innovation with customers, leveraging collective knowledge, which is helping it differentiate itself in the growth and transformation market today, has its roots in how TRDDC engaged with its clients in those early years. In an interview[1], Subba Rao recalled, "*The two sides had lots of dialogue. This was unlike what most consultants did. We always took the view that the client should be part of the solution. The clients and we published case studies and research papers of successful solutions, jointly.*"

Scientists at TRDDC were an eclectic set. Different research teams, working side by side, made possible cross-pollination of ideas and multidisciplinary research at the intersection of different domains: computing and materials, biosciences, mathematical and behavioral sciences. Such blue-sky research at the intersections of industries is today foundational to TCS' ability to orchestrate purpose-driven, cross-industry ecosystems for boundaryless innovation on the cloud.

Research for Social Good

With its expansive mandate and the Tata Group's guiding ethos, TRDDC took up many research themes around social and environmental issues. These resulted in frugal innovations like low-maintenance water filters for rural areas, eco-friendly cement, award-winning test kits for tuberculosis, and of course, the game-changing Computer-based Functional Literacy software that was to be the mainstay of large-scale adult literacy programs in India and elsewhere.

This tradition of pursuing a broad set of ideas which benefit society at large continues to this day. TCS' Research & Innovation group uses technology for such diverse social causes as helping the differently abled, scaling up Covid test kit production in India, designing tests for biomarkers to predict premature birth, identifying promising molecules for drug development and innovative ways to help customers reduce their carbon footprint.

Founded forty years ago, one of many firsts that TCS pioneered over the last five decades, the Tata Research Design and Development Center lived up to its founder's belief and went on to shape the company's present-day approach to research, innovation, growth and transformation. TRDDC's outstanding contributions over the decades to the company's growth, to the expansion of knowledge and to society truly make it the embodiment of the TCS ethos of building greater futures through innovation and collective knowledge.

[1] Research by Design – Innovation at TCS, 2007

Our strategic partnership with TCS will support our growth ambitions and accelerate our ability to innovate whilst continuing to deliver excellent customer service.

The primary focus has been on migration to TCS' digital and customer centric operating model that helps us take innovative new products faster to market and delivers more personalized experiences to our customers and advisers. The TCS partnership facilitates plug-in partnerships and further improves our digital and innovation capabilities while giving us a cost structure that is an industry benchmark.

Andy Briggs

Group CEO, Phoenix Group

Powering Phoenix Group's Growth Strategy with a Fully Digital Operating Model

Phoenix Group has evolved into the UK's largest long-term savings and retirement business, pursuing a growth strategy that leverages key industry trends to consolidate and scale up its Heritage business, while organically growing its Open business and deepening existing customer relationships to meet broader customer needs as they journey to and through retirement. This in turn supports Phoenix Group in delivering its purpose of helping people secure a life of possibilities.

Phoenix Group's 15-year long partnership with TCS has given it a scalable, customer-centric digital operating model that supports perpetual transformation, driving both aspects of its growth strategy.

At the core of this model is the TCS BFSI Platform for Life & Pensions powered by TCS BaNCS™, which has simplified and modernized Phoenix Group's technology stack, enabled greater innovation through easier and faster design and rollout of new products, and transformed all the processes across the end-to-end customer journey, hyper-automating them with straight-through-processing for faster turnaround times.

By previously consolidating more than 7.4 million policies scattered across disparate systems on the new platform, TCS has helped Phoenix Group retire hundreds of legacy systems, drive synergies from its acquisitions and unlock significant value. It is currently transforming another 6 million policies.

On the front-end, TCS is helping the Phoenix Group enhance and personalize the customer, employer, and adviser experiences, adopting a more data and insights-driven approach. These initiatives have resulted in a 400% increase in site visits to its online customer self-service tool, the use of which has seen an 8x improvement in individual life cover claims processing, as well as 85% of encashment claims settled in under 3 days compared to 12 days on traditional channels. It also has reduced customer complaints and enhanced customer satisfaction. At the new, jointly developed Innovation Hub in Edinburgh, designers and domain experts from both organizations will work with end-users to envision new offerings and innovative experiences.

Partnering with TCS for its growth and transformation is enabling the Phoenix Group to adapt quickly to regulatory and market changes, and provide intuitive, personalized experiences to customers, advisers, and employers on a fully digital platform. With a new operating model that is establishing industry benchmarks in efficiency, agility and customer-centricity, Phoenix Group is set to power ahead with its strategy to capture new growth opportunities.

Enabling Toyo Tire to Launch an Innovative, IoT-powered Business Model

Toyo Tire Corporation, one of the world's leading tire manufacturers headquartered in Japan, seeks to delight its customers with its products through constant technological innovation, enabled by fostering creativity and entrepreneurial thinking.

Recognizing the importance of proper tire maintenance in ensuring safety and maximizing efficiency, Toyo Tire partnered with TCS to explore how technology could be used to help its customers – fleet owners and transport service providers – reduce the time and effort spent in physically inspecting individual tires for wear.

TCS used its Bringing Life to Things™ IoT framework to envision a new automated system that would meet Toyo Tire's vision. The solution uses components of TCS DigiFleet™, its IoT-enabled suite for fleet managers, to automatically gather data on tire conditions from sensors installed on wheels of trucks, buses, and other transport vehicles, help visualize the data, provide real time insights and transmit it to the cloud. This data along with other information is then used by Toyo's proprietary AI model to accurately estimate the extent of wear of the tires.

By partnering with TCS in this journey, Toyo Tire is poised to launch an innovative business model, offering a whole host of predictive maintenance and advisory services to its customers, and powering its future growth.

Customer-centricity, agility and digital innovation have been at the core of Toyo Tire's ability to launch innovative new products and services that delight our customers and create a distinct brand positioning for us.

Our new tire wear estimation model, built in collaboration with TCS, enables an innovative services-based business model that powers our future growth. TCS brought a lot of digital expertise, creative ideas and intellectual property. Their passion for innovation and shared values have made them a key part of our digital innovation journey.

Tetsuo Shimomura
DGM - DX Promotion Division
Toyo Tire Corporation

BUILDING ON BELIEF:
A Panel Discussion

WHAT DOES YOUR NEW BRAND STATEMENT `BUILDING ON BELIEF' MEAN TO YOU AND TO CUSTOMERS?

KAK: Every new idea or innovation is born out of the belief that it will build something better. In research and innovation, belief is central to the survival of an idea at every stage, determining whether it will be picked from among other worthy candidates for further development, or will get past resistance when further progress looks impossible. Only by striving on with passion and faith, can ideas be brought to fruition, making a big difference to the enterprise.

Our new brand statement highlights the role that TCS has been playing in helping customers scale up and accelerate their innovation programs and realize those ideas they truly believe in. By contributing high quality ideas backed by a deep understanding of the customer's business and technology contexts, our teams act as force multipliers, giving customers many more ideas for potential development than they could have managed on their own. This in turn improves their yield - the chances of hitting upon a winning innovation that gives them the competitive differentiation they are looking for.

NGS: Everything that Ananth just mentioned about innovation applies equally to business transformation. To me, digital transformation is innovation applied at scale to an organization's business model, its customer engagement, and its operations. The most successful business transformation programs are those which are purpose-led. We help every customer realize that purpose.

TCS has intrinsically been built on strong beliefs which have profoundly shaped our organization culture. By adopting a purpose-led approach—putting the customer at the center, continually investing in people, and helping them build long, fulfilling careers with TCS—we have created a sustainable business model that has proved itself over the last five decades.

FEATURING

Krishnan Ramanujam
President – Business & Technology Services

N G Subramaniam
Chief Operating Officer

K Ananth Krishnan
Chief Technology Officer

Customers truly appreciate this and see us as a strategic partner who remains current across cycles while helping them also stay current. Employees appreciate this too and it has resulted in industry-leading talent retention and an invaluable repository of contextual knowledge, both of which are competitive differentiators.

KR: There is a large growth and transformation market in which we want to expand TCS' footprint and gain further share from legacy consulting organizations. In that context, the new brand statement is very timely and reflects that aspiration. Building on Belief is a way for us to signal to all customers and prospects that TCS will work alongside them in their G&T journeys, with a sense of shared purpose and help them realize their vision.

YOU HAVE BEEN SPEAKING ABOUT GROWTH AND TRANSFORMATION FOR THE LAST THREE YEARS. WHY THE RENEWED FOCUS NOW?

NGS: Yes, we have been winning quite a few growth and transformation engagements with the Business 4.0™ thought leadership framework. Some of these stories have been showcased in our recent annual reports. While the number of such deals has been steadily increasing, it is only a small foothold in the larger opportunity.

As we embark on a new multi-year technology cycle, the move to the cloud will open phenomenal opportunities for our customers to further innovate, transform, differentiate themselves and power their future growth. Their growth and transformation investment is going to leapfrog in the coming years. This not only expands the addressable market but also provides a secular tailwind to power TCS' growth over the next decade. Hence, this renewed focus.

HOW DO YOU ACTUALLY WIN THESE DEALS? ARE THERE RFPS FOR GROWTH AND TRANSFORMATION?

NGS: There are multiple scenarios: RFP driven transformation deals and proactive proposals. In the first scenario, customers typically know what they want to accomplish and look to us for knowhow. Whereas, in the latter, account teams proactively identify business problems that are critical for a customer, and put together high-level solution ideas which they pitch to customers. This is often followed by more detailed workshops that eventually culminate in a full-fledged engagement.

KAK: In the second scenario, TCS Research & Innovation is a catalyst. We often organize account-level ideathons to crowdsource creative ideas which address our customers' most pressing business problems, leveraging our contextual knowledge. We brainstorm on these and other proactive ideas at our Innovation Days and deliver selected ones in rapid Agile sprints to the customer. Many of these activities are now anchored at our PacePorts™.

Our Annual Innovation Forums and TCS PacePorts are key avenues that fuel innovation. At the Innovation Forums, our customers and partners, including start-ups, talk about the innovative work they are doing in partnership with TCS, while PacePorts showcase our innovative solutions across different verticals, often triggering new ideas among customers and resulting in productive conversations.

> TCS has intrinsically been built on strong beliefs which have profoundly shaped our organization culture. By adopting a purpose-led approach—putting the customer at the center, continually investing in people, and helping them build long, fulfilling careers with TCS—we have created a sustainable business model that has proved itself over the last five decades.

KR: Chance favors the prepared mind. In addition to the avenues described by NGS and Ananth, TCS' Business 4.0 thought leadership framework that has been updated to address pandemic and post-pandemic challenges and our multi-horizon cloud transformation roadmap, provide a great starting point to jointly envision the aspirational end-state capabilities with the C-Suite.

Our sales teams leverage a steadily expanding suite of transformation offerings aligned to emerging themes, which they can readily adapt to each customer's unique circumstances. One very successful approach has been to benchmark the customer against best-in-class metrics in their industry, identify the gaps across different areas of their operations, and then use design thinking principles to help top management chalk an inside-out roadmap for their growth and transformation.

With each successful G&T engagement, the positive references build up and we are sought by other customers facing similar business problems to help them in their transformation journeys. For example, a recent annual report[1] highlighted how we helped the Bayer Group build a replicable business carve-out model to execute quick divestitures. In FY 2021, several customers who were restructuring their portfolios to sharpen their business focus and free up capital, partnered with us for our divestiture offerings. Other common themes we saw this year included supply chain transformation in the manufacturing and consumer goods sectors, and omnichannel transformation in retail.

Across industries, we are picking up promising themes that emerge from ongoing G&T engagements which address broader business problems that may be relevant to other enterprises, and are productizing those offerings. This organic manner of steadily expanding our portfolio of transformation offerings lowers the execution risk for our customers.

WHAT ROLE DOES YOUR INTELLECTUAL PROPERTY, PRODUCTS AND PLATFORMS PLAY IN THE G&T OPPORTUNITY?

NGS: Intellectual property is one of TCS' biggest differentiators, and it has played a pivotal role in many of our largest G&T engagements. Our patents, products, and platforms stand testimony to our technology expertise and business knowledge.

The TCS BFSI Platform for Life and Pensions continues to be the operating model of choice for insurers looking to reimagine customer experience. In last year's annual report[2], we had carried the M&G story. In FY 2021 too, we signed a very large deal with the Phoenix Group, to drive the growth and transformation of their Standard Life business and meet the future needs of their customers, workplace clients and their advisers.

Similarly, the TCS ADD platform transforms the end-to-end drug development process which is at the core of any life sciences company's value creation engine. In FY 2021, one of the world's largest pharmaceutical companies deployed TCS ADD Analytics & Insights, an AI-powered adaptive monitoring solution to transform the oversight of over 200 clinical trials, strengthening oversight effectiveness and improving the efficacy of the studies.

Some solutions are transformational not just at an enterprise level, but at an industry level. Israel's Ministry of Finance wanted to rejuvenate its banking sector, spark greater innovation, and democratize consumer access to banking. We helped them realize that vision by building a banking service bureau powered by TCS BaNCS™, to serve as a shared digital banking operations platform that neo-banks can use to launch their operations very quickly. First Digital Bank, the first bank in Israel to receive a banking license in 40 years, commenced its digital-only operations leveraging our platform in March 2021.

KAK: Many G&T initiatives are centered around enhancing the customer journey and scaling up the organization's ability to quickly launch innovative products and services. Our AI-based TwinX supports the digital simulation of an enterprise, or an

[1] Page 19, TCS Annual Report 2018-19

[2] Page 21, TCS Annual Report 2019-20

enterprise digital twin. Key entities such as customer, product, process, network, and resource are mapped, so businesses can test strategic decisions such as new product rollouts or the launch of new channels, before piloting them in the market. Several customers are using TwinX today for what-if analyses especially in areas like the ideal customer journey, reducing customer churn as well as potential fraud.

As customers start exploring opportunities in ecosystem innovation, they can leverage TCS' Data Marketplace solution and our Quartz™ Blockchain solution, to orchestrate or participate in ecosystems and seamlessly and securely exchange data with partners on a real time basis.

YOUR PEERS HAVE ALSO BEEN WINNING A LOT OF VERY LARGE DEALS IN RECENT TIMES. DOES THIS REPRESENT A LOSS OF MARKET SHARE FOR TCS?

NGS: Fourteen years ago, when we won our first billion-dollar deal, it was path breaking because it represented our coming of age. Having won against the largest names of that era, it demonstrated our ability to put together winning, multi-tower deal constructs. Today, winning such large outsourcing deals is essential for revenue growth and visibility, but it is a hygiene factor and no longer a differentiator.

We win more than a fair share of such very large deals every year. In FY 2021, we had an order book of $31.6 billion, 17% higher than the previous year. Very importantly, these are not just large plain vanilla outsourcing deals, but also higher-value G&T deals. Every year, we close several very large transformational deals, including one in FY 2021 with a TCV of over $2.4 billion.

WHAT GIVES YOU THE CONFIDENCE THAT YOU ARE ON A LONGER-TERM GROWTH TRAJECTORY AND NOT JUST BENEFITING FROM SHORT TERM PENT-UP DEMAND?

KR: While I don't deny some amount of pent-up demand playing out, but as NGS mentioned earlier, the adoption of hyperscaler clouds by our customers is a pivotal point, setting them on a course of increasing technology investments over the next few years, all aimed at harnessing the rich native capabilities available within the hyperscaler stacks for innovation, growth and transformation.

Our sharpened focus on the high value G&T opportunity and investments around deepening our solutioning capabilities will result in a quantum leap in the size of our addressable market. We are confident that the secular tailwind from increased spends and our own investments and focused efforts will drive a better growth trajectory in the years ahead.

NGS: Another important driver of longer term growth is the structural shift within the technology market, leading to growing primacy of IT services. Let me explain. If you look at the evolution of technology spends over the last five decades, hardware held complete primacy in the first four decades, with software and services serving subordinate roles. Over time, proprietary hardware gave way to standardized architectures, setting the stage for virtualization and commoditization.

We see that cycle repeating now with packaged software. SaaS models are driving standardization and commoditization of software. So even as enterprises invest in upgrading their technologies, they will invest even more on IT services because only service-providers like TCS can help them harness these very powerful and commoditized technologies to create unique combinatorial solutions that provide competitive differentiation. The next decade will clearly be the decade of IT services.

> Our sharpened focus on the high value G&T opportunity and investments around deepening our solutioning capabilities will result in a quantum leap in the size of our addressable market. We are confident that the secular tailwind from increased spends and our own investments and focused efforts will drive a better growth trajectory in the years ahead.

> The postal industry is profoundly transforming resulting in challenges spanning from logistics to profitability. It was imperative for us to accelerate our transformation into a customer centric and sustainable omni-commerce group. The decision to work with TCS was not driven by a technology choice, but their transformation abilities!
>
> **Nico Cools**
> CIO & Chief Digital Officer, bpost SA

Enabling bpost to Deliver not just Parcels but also Smiles

With e-commerce making inroads at an exponential pace and declining mail volumes, bpost is on a multi-year growth and transformation journey to transform into a customer centric and sustainable global omni-commerce leader, with the vision of making Belgium a gateway for e-commerce logistics. TCS is a strategic advisor, helping bpost shape its transformation journey by reimagining the customer experience and building a digital core that will drive new business opportunities and accelerate innovation.

The parcel delivery business not only rides high on customer emotions but is highly competitive and entails logistical complexity which can drive up the cost of customer service. Experience designers from TCS Interactive Design labs digitally reimagined the end-to-end parcel lifecycle by mapping all customer touchpoints and analyzing key factors impacting Net Promoter Score (NPS), including social media sentiment analysis. They designed an intuitive and engaging digital experience with a mobile-first approach and also enabled 24x7 digital customer service across all channels with chatbots. bpost customers can now track and trace parcels through proactive notifications and enjoy flexible options for receiving parcels at home, at neighbors, or at a participating store. Returns processing is simplified with just 3 steps, including the ability to print shipping labels.

Powered by advanced analytics, the TCS-designed Dynamic Routing Model generates optimized, efficient, and accurate route plans with increased parcel density per route, ensuring first-time-right delivery. Simulations and scenario planning are used to predict parcel volume growth and statistical techniques ensure optimal workload distribution among delivery personnel.

With a penetration of 1 in every 4 Belgian households, and a rating much higher than similar apps from competitors, the mybpost app has contributed to an 8% growth in NPS and 18% reduction in customer service requests. With the use of advanced analytics for optimized parcel delivery, TCS helped bpost successfully handle a 2.5X growth in parcel volumes in 2020, with margin and EBIT growth, increased efficiency, and most importantly, higher customer satisfaction, bringing it closer to its ambition.

Helping the State of Connecticut Provide Pandemic Relief to the Unemployed

Following the devastating job losses due to the pandemic, Connecticut's Department of Labor (CTDOL) found itself inundated with over a million applications for unemployment insurance, almost ten years' worth of applications in a single year.

Additionally, it had to administer the federally funded Pandemic Unemployment Assistance (PUA) program under the CARES Act and extended by the Continued Assistance Act, which provided up to $600/week for up to fifty weeks to the self-employed, independent contractors, and gig workers who were ordinarily ineligible for unemployment assistance, but whose livelihoods had been affected by the pandemic.

CTDOL wanted to swiftly implement the PUA program but their mainframe-based legacy system was not easy to modify.

CTDOL approached its transformation partner, TCS, to help implement the PUA program urgently. TCS was already working on CTDOL's Unemployment Insurance Modernization program, replacing its legacy system with a modern, multi-tenant, cloud-based platform, designed, developed and managed by TCS for the ReEmployUSA consortium. Given the urgency of the situation, the TCS team worked over a weekend to come up with a plan to rapidly implement a new cloud-based standalone PUA system.

In just five weeks, TCS, working closely with CTDOL, quickly designed and deployed a new cloud-based standalone PUA system, and integrated it with CTDOL's legacy unemployment insurance system. The new PUA system streamlined the workflows and leveraged advanced analytics to prevent fraudulent claims. Its cloud-native architecture scaled well - easily handling the 10,000 claims filed on the very first day of its launch. Till date, over $1 billion in benefits has been paid through the new system.

Powered by a deep belief in itself, TCS built the complete solution in just weeks, helping CTDOL live up to its mission of delivering unemployment assistance to self-employed individuals in their hour of need.

The unemployment benefit programs are a critical safety net for the citizens during this pandemic. TCS and Connecticut DOL teams have worked closely in partnership to pay out over a Billion dollars in benefits through this new system and help the citizens of Connecticut.

Kurt Westby
Commissioner of Labor
State of Connecticut

Q&A with V RAMAKRISHNAN, CFO & MILIND LAKKAD, CHRO

HAS A FULL YEAR OF WORKING REMOTELY RESULTED IN ANY STRUCTURAL CHANGES TO YOUR BUSINESS? WILL GLOBAL SOURCING BE MUCH MORE OF THE NORM IN THE FUTURE?

VR: Yes, I think so. In service delivery, any and every in-person activity that entailed travel and other overheads, was successfully executed entirely remotely last year using SBWS. It is faster, safer, and in many cases, results in better outcomes because we can assign the best talent for the job, unconstrained by location, mobility and visa availability. In the longer term, this significantly de-risks service delivery for customers, and our business model.

The other change is on the demand front. A full year of remote working has changed the thinking around managerial supervision. Executives across the world have had to adopt a more outcome-focused versus acitvity-based approach. This is helping increase the reliance on partners who can take end to end responsibility for defined scope.

That is very timely because enterprises embarking on growth and transformation journeys are revisiting their operations and looking for ways to free up staff to redeploy them on transformation projects, and also to reduce costs to fund the new work. So I think there will be a much higher propensity to outsource and automate in the coming years, and also a greater openness to location-agnostic models.

ML: The other structural change is to our workplace. Whenever the pandemic is contained and we start normalizing, we will start transitioning to a more hybrid working model in line with our Vision 25x25, that captures all the benefits of the remote model and addresses its challenges. To recap, we envisage that by year 2025, no more than 25% of our employees would need to be at a TCS facility at a point in time, and no individual would have to spend more than 25% of their time at a TCS facility to be 100% productive.

We believe this is a more balanced approach, and will give our employees the best of both worlds. In this model, the role of the office itself will change significantly. Earlier, the office was where one performed day-to-day activities, and offsites were meant for business planning or team motivation. The new model flips that. Our offices will become ideation and innovation hubs, using in-person interactions for brainstorming and team-building, while day-to-day work can be performed from anywhere.

YOUR MARGINS IMPROVED IN FY 2021, BENEFITING FROM LOWER TRAVEL AND FACILITIES EXPENSES. HOW SUSTAINABLE IS THIS?

VR: We believe our industry-leading operating margin is a reflection of our relative competitiveness. While there may be some small movements here and there, our margins have shown tremendous resilience over the last decade. We don't see any structural threat to our competitiveness in the foreseeable future, so our margins should remain stable.

Specific to FY 2021, we started off with a very sudden ramp down in demand, our Q1 revenue reducing by 6.3% year on year in constant currency. However we took an industry-defining stand that we would not let go any employees due to the demand contraction, and also committed to onboarding all 45,000 job offers we had made. The industry-wide reductions in travel, facilities and some marketing expenses helped offset this.

The second half of the year saw a sharp growth recovery, and the emergence of a multi year growth cycle. We immediately rewarded our employees with a normal salary hike in October and regular promotions, much ahead of the rest of the industry. We also invested significantly in Covid care and relief efforts, and contributed handsomely to the commitments by the Tata Group.

So overall, I am very pleased with the way we were able to deal with a very fluid situation, balancing the needs of our customers, employees, and communities, and yet deliver an industry-leading operating margin of 25.9%*, an expansion of 1.3%* over the prior year.

Looking ahead, we expect demand, revenue and operating costs to normalise and come back to our long term comfort zones. That, along with higher quality revenues from our expanding participation in the growth and transformation opportunity, greater operating efficiencies from continuing innovations to the delivery model – such as talent clouds – will help us sustain our operating margin at current levels.

WHAT ARE TALENT CLOUDS AND HOW DO THEY CHANGE THE DELIVERY MODEL?

ML: The talent cloud is an innovation enabled by our SBWS operating model. Historically, we serviced customers from specific delivery centers, and staffed any new project largely with individuals based out of those locations. With SBWS, we did away with that constraint. We are now using AI to autonomously match individuals with the requisite skill profiles to open opportunities, regardless of their physical location. This is enabling access to a larger pool of talent, better fitment, significantly faster allocations and superior outcomes.

Its true value lies in talent fungibility, where, for example, a cyber-security expert or an expert team, can be part-allocated to multiple assignments at the same time, enabling all those customer engagements to gain from sharing that high-quality expertise.

Customers are very pleased with the faster project ramp-ups that this has enabled, as well as the superior outcomes that follow from better fitment. It also opens up more opportunities for our employees, particularly those in smaller locations, driving up employee satisfaction levels and talent retention. At an aggregate level, this is helping reduce mean time between allocations, and drive up utilization across the system.

HOW DOES YOUR NEW FOCUS ON GROWTH AND TRANSFORMATION DEALS AFFECT YOUR MARGINS AND YOUR INVESTMENTS? HOW WILL IT AFFECT CAPITAL ALLOCATION? WILL YOU ALSO ACQUIRE A CONSULTING OUTFIT?

VR: These deals have lower competitive intensity, and customers evaluate us on the merits of our solution and not on price. So these are high quality

* Excluding an exceptional item provided towards a contested legal claim

revenues, and as their share increases, they will lend further resilience to our busines. Overall we have always believed in taking a holistic view to the service portfolio, continously investing in newer services that increase our overall relevance to our customers, which gives us competitive differentiation, and supports our industry-leading profitability.

In terms of investment, keep in mind that our approach to growth and transformation engagements is very differentiated. We are not trying to replicate the legacy consulting model. To expand our presence in this opportunity, we will invest in deepening our solutioning capabilities, organically. We will invest in more research and innovation, and in the various HR initiatives that Milind will speak about. We won't acquire something just to grow our consulting revenue.

At a broad level, we remain open to acquisition opportunities if they are attractive and and value accretive. Our capital allocation policy continues to be to return most of the free cash flow we generate each year to our shareholders.

We believe our industry-leading operating margin is a reflection of our relative competitiveness. While there may be some small movements here and there, our margins have shown tremendous resilience over the last decade. We don't see any structural threat to our competitiveness in the foreseeable future, so our margins should remain stable.

ML: On the people front, we continue to believe in growing our own talent, and are scaling up our campus recruitment of management graduates from premier business schools in India and elsewhere, as well as engineering talent from top technology institutes. Given our differentiated, inside-out approach to growth and transformation, we are investing in various programs to promote business thinking and foster contextual knowledge across the organization.

Our Contextual Masters program has identified 16,000 individuals till date with deep insights of our customers' business and technology contexts. We are bringing them and others into our strategic talent development initiatives, and scaling these programs to create a large and diverse cadre of next generation growth and transformation leaders, who can help customers explore the art of the possible in their respective contexts and steer them through organizational change.

SOME OF YOUR PEERS HAVE SPOKEN OF A WAR FOR TALENT. YOU DON'T LOOK TOO WORRIED. WHY?

ML: Our sustained investments in organic talent development at scale are paying off. Our state of the art talent development infrastructure is helping us align our planning with emerging customer requirements. So we are fulfilling most of the open positions requiring new technology skills using in-house groomed candidates, and don't rely too much on lateral recruits.

Additionally, we have created a deep pipeline of digital talent by hiring over 30,000 fresh engineering graduates each year, including a cadre of high performers, and training them on new technologies which are most in demand.

Even more important than acquiring new talent is retaining our existing talent that we have invested in, and groomed over the years. We continue to be the industry leader in talent retention, with our IT services attrition rate falling to an all-time low of 7.2% this year. So we are very proud of our talent strategy and investments, and immensely excited about the future growth it is helping power.

To achieve hyper-growth and become an industry leader, Novolex launched Project Optimus for optimizing and transforming the entire business. TCS and Novolex established a true partnership in successfully implementing the Optimus program and set a secured path for reaping continuous business value.

Don Ray
VP - Manufacturing Services, Novolex

TCS has helped ensure timely business transformation that can empower Novolex as an 'Intelligent Enterprise' with industry leading solutions and help accelerate our growth as a world-class packaging company.

Paul Palmisano
Former CFO, Novolex

Transforming Novolex into a Futuristic, Intelligent Enterprise

After years of strong top line growth driven by multiple acquisitions, Novolex, a leader in packaging innovation, recognized that to continue to drive profitable growth through M&A, it would need to fix the disparate set of processes, organizational structures and customer experiences, all resulting from a sprawl of 11 disparate ERP systems built up from years of acquisitions. The siloed operations were hindering the company's ability to drive sustainable synergies and deliver a unified customer experience.

Novolex partnered with TCS to drive its end-to-end business transformation and create a new cloud-based digital core using the SAP S/4HANA platform to support its future growth. TCS' consultants worked with Novolex through the full lifecycle of its business transformation, starting with the development of the business case and roadmap, establishment of a transformation management office, design of a standardized global template, all the way through to deployment and realization of benefits.

The new platform has eliminated the silos, enabled significant savings and ongoing SGA efficiencies, improved executive visibility into business performance and delivered faster time to market. The simplified consolidated financial reporting has reduced monthly and quarterly closing from 5 days to 3 days. More effective rebate programs and efficient commission payment processes have improved pricing efficiency and increased sales margin.

Applying design thinking principles and leveraging its domain depth and expertise across digital technologies, TCS helped Novolex realize its vision of delivering a `One Novolex' experience to its customers. Today, TCS continues to engage with Novolex in a sustain mode to drive perpetual transformation and further increase its return on investment.

Partnering RBI in Building Payment Systems for Digital India

The Reserve Bank of India (RBI) has been the driving force in creating the nation's payment systems, operating with the strong belief that innovative, secure and efficient payment mechanisms are central to economic growth. TCS has been RBI's digital transformation partner for the last two decades, building the systems needed to help the central bank realize this belief.

The two important online payment systems run by the Reserve Bank of India, namely, National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS), have both been enabled by robust and scalable technology platforms built and maintained by TCS.

The underlying messaging infrastructure that enables the smooth interchange of data is the Structured Financial Messaging System, a TCS innovation that connects over 70,000 branches of over 200 banks and clearing houses in India.

Today, these two platforms process over 260 million payment transactions, worth $1.5 trillion, every month.

In the latest development, TCS teams enhanced both platforms and their related ecosystems to enable successful introduction of NEFT 24x365 in 2019, and then RTGS 24x365 in 2020, making India one of the few countries in the world to operate a real-time, large value payment system round the clock.

This has led to faster settlements, improved liquidity, reduced cost for retail payment systems, and enhanced ease of doing business, fulfilling the purpose of giving further impetus to Digital India's progress.

With its deep understanding of the payments ecosystem, technological capabilities and shared purpose of nation-building, TCS has been a long-standing, trusted partner in RBI's mission to provide secure, cutting edge payment mechanisms to the nation.

It is a testimony to the robustness of their design and the quality of their services that the RTGS and NEFT platforms and its underlying messaging system have scaled up over time to handle the immense growth in volumes without any disruption over the last many years. Their teams went above and beyond and supported us solidly when we needed it the most, at the height of the pandemic last year.

Dr Deepak Kumar

Chief General Manager, Department of Information Technology, Reserve Bank of India

(Views expressed in the quote are personal)

Corporate Governance Report

I. Company's Philosophy on Corporate Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos.

The Company follows the Tata Group philosophy of building sustainable businesses that are rooted in the community and demonstrate care for the environment. Being a part of the Tata Group, which epitomizes sustainability, TCS has inherited a strong legacy of fair and transparent ethical governance, as embodied in the Tata Code of Conduct (TCoC).

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors.

[1] 102-18

In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors that suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").
The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the TCS Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code"). The Company has in place an Information Security Policy that ensures proper utilization of IT resources.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

The details of TCS' board structure and the various committees that constitute the governance structure[1] of the organization are covered in detail in this report.

The various material aspects of corporate governance and TCS' approach to them are discussed in the table below:

Material Topic	TCS' Approach
Avoidance of conflict of interest	Chairmanship of the Board is a non-executive position and separate from that of the Chief Executive Officer and Managing Director (CEO and MD). TCoC[2] for non-executive directors, and for Independent Directors, carries explicit clauses covering avoidance of conflict of interest. Likewise, it explicitly prohibits any employee – including the Managing Director and executive directors – from accepting any position of responsibility, with or without remuneration, with any other organization without TCS' prior written approval. For executive directors and the Managing Director, such approval must be obtained from the Board.
Board independence and minority shareholders' interests	Board independence is ensured by having independent members in majority (five out of nine), and by setting a high bar in terms of the qualifications, expertise and experience in selecting the right mix of individuals to serve on the Board, who can collectively serve the best interests of all stakeholders, maintain board and management accountability and drive corporate ethics, values and sustainability. Board effectiveness is further enhanced by ensuring diversity in terms of gender, nationality, industry and areas of expertise. TCS' Policy on Appointment of Directors and Board Diversity can be found at https://on.tcs.com/appointment-BoD. TCS' governance philosophy around minority shareholders' interests is guided by the TCoC which emphasizes fairness and transparency to all stakeholders. Further a qualified, diverse and independent Board ensures that minority shareholders' interests are protected. Additionally, TCS strives to reduce information asymmetry through transparency, extensive disclosures and detailed commentary of the demand environment and the state of the business. The company provides a variety of channels including a structured global investor outreach program, through which minority shareholders can interact with the management or the Board. Shareholders can communicate concerns and grievances to the Company Secretary's office through a well-publicized channel, where complaints are tracked to closure. The Stakeholders' Relationship Committee, oversees the redressal of these complaints.
Values, Ethics and compliance[3]	Over the last five decades, TCS has consistently demonstrated a very principled conduct and has earned its reputation for trust and integrity while building a highly successful global business. The company's core values are: Leading Change, Integrity, Respect for the Individual, Excellence, and Learning and Sharing. The TCoC serves as a moral guide and a governing framework for responsible corporate citizenship. It sets out guidelines on various topics including respect for human rights, prohibition of bribery and corruption, recognition of employees' freedom of association, and avoidance of conflicts of interest. Every employee is required to sign the TCoC at the time of joining the company. Annual refresher courses are mandated to ensure continued awareness of the code. Further, frequent communications from the leadership reiterate the importance of our values and the TCoC.

[2] https://www.tcs.com/tata-code-of-conduct

[3] 102-16

Material Topic	TCS' Approach
	Customers and suppliers are made aware of the TCoC principles in contract discussions, and through inclusion of specific clauses in proposals and contracts. The TCS Supplier Code of Conduct is shared with suppliers as part of the procurement process and is published on the TCS website. Employees can raise ethics concerns on Ultimatix – the intranet portal of the Company, which are investigated and tracked to closure by the HR department. Employees and other stakeholders can also report any non-compliance to the TCoC or to the laws of the land by any one directly to the Chairman of the Audit Committee under the Whistle blower Policy without fear of retaliation. Information about these channels is communicated to employees as part of the mandatory training modules. Compliance to laws of the countries in which TCS operate, as well as global legislation such as FCPA, UKBA is monitored through formal compliance procedures led by the corporate compliance office. Changes to legislation are closely monitored, risks are evaluated and effectively managed across our operations. Governance, Risk and Compliance are overseen by Chief Risk Officer and the Chief HR Officer who report to the Chief Operating Officer (COO), Executive Director and CEO and MD respectively. At the apex level, the Audit Committee headed by an Independent Director oversees compliance to the TCoC Anti-bribery and anti-corruption policies, gifting policy and to external regulations.

Material Topic	TCS' Approach
Tax Strategy	TCS is committed to comply with the applicable laws and regulations, and believes in reporting to the respective tax authority, relevant information that is complete and accurate, in a timely manner. TCS does not engage in aggressive and contrived tax planning or tax structuring for the purpose of gaining tax advantages. TCS's tax policy is to optimize the tax cost, avail tax incentives where available, while achieving 100% compliance with the spirit as well as the letter of the tax laws and regulations in all countries in which it operates. Compliance is achieved through a robust compliance reporting and monitoring process, with a strong governance on minimizing the tax risk. TCS has zero tolerance towards tax evasion, or the facilitation of tax evasion, by itself or by its employees or vendors. TCS maintains open and collaborative relationships with governments and tax authorities worldwide. Where appropriate, TCS seeks advance clearance from tax authorities on the proposed tax treatment of transactions, helping pre-empt future disputes.
Succession planning	TCS' philosophy of empowering employees, its industry-leading talent retention, and a decentralized organization structure that devolves executive decision-making across over 150 business units have resulted in a large and deep bench of leadership talent that enables robust succession planning and continuity and consistency in strategy. Succession planning for the top two leadership positions in each business unit is reviewed by senior management. Additionally, heads of business units carry out succession planning for key functions within their units. Succession planning at senior management levels is reviewed by the Board. Business or unit heads are invited to present on specific topics at Board meetings from time to time, offering an opportunity for the directors to assess their values, competencies, and capabilities.

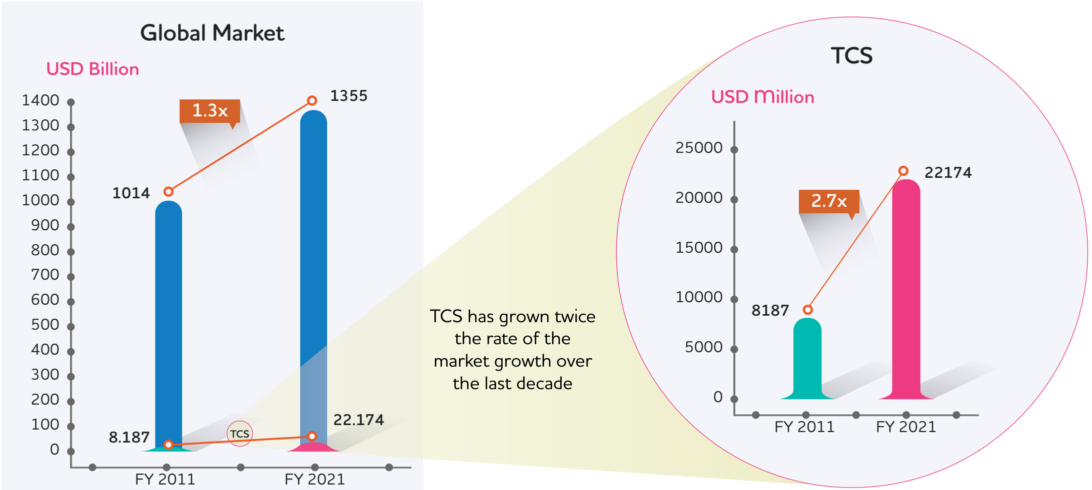
Management Discussion and Analysis

OVERVIEW OF THE INDUSTRY

The pandemic is estimated to have caused a 3.3% contraction of the world output in CY 2020[1], with advanced economies contracting 4.7%, and many sectors such as travel, hospitality, transportation, aerospace, consumer discretionary and small enterprises getting impacted severely across the world. Consequently, global technology spend[2] declined 3.2% to about $1.4 trillion in 2020. Within that, IT services spending declined more, down 3.9%, while Business Process Management declined by 2.4%.

While the spending showed a decline on a full year basis, technology was center-stage in enterprises' response to the pandemic-related lockdowns and thereafter. After the initial contraction due to dislocations, the need for business continuity, operational resilience and the switch to digital transactions drove strong demand for IT services over the rest of the year.

Demand for services around remote connectivity, cybersecurity, collaboration tools, digitized processes, automation and cloud adoption, progressively strengthened in the course of the year.



[1] World Economic Outlook, IMF, April 2021
[2] Nasscom Strategic Review Report 2021

Very importantly, as consumers shifted to digital channels for most of their needs, enterprises realized the need to invest in enhancing customer experience. This significantly accelerated investments in digital transformation and cloud adoption.

The global market for IT services continues to be a highly fragmented one, with even the largest provider having a mid-single digit market share. TCS is among the largest IT services providers globally, with a market share of 1.6%, and has significantly outperformed the market, growing at twice the rate of market growth over the last decade. This may be attributed to market share gains resulting from TCS' customer-centric strategy and organization structure, focused investments in building superior capabilities, better execution resulting greater customer satisfaction, and steadily expanding participation in customers' growth and transformation spends.

TCS' BUSINESS

An Overview[3]

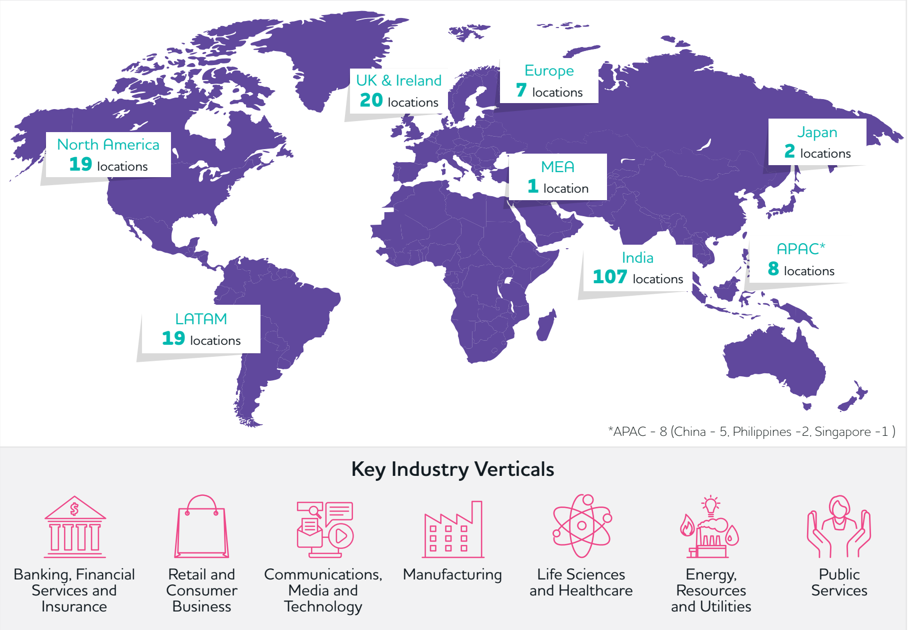
TCS is an IT services, consulting and business solutions organization partnering many of the world's largest businesses in their transformational journeys for the last 50 years. It has a global presence, deep domain expertise in multiple industry verticals and a complete portfolio of offerings – grouped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

The Company leverages all these and its deep contextual knowledge of its customers' businesses to craft unique, high quality, high impact solutions designed to deliver differentiated business outcomes. These solutions are delivered using its Secure Borderless Workspaces™ (SBWS™) operating model which enables a highly distributed, Location Independent Agile™ delivery.

[3] 102-2

TCS geographic footprint covers North America, Latin America, the United Kingdom, Continental Europe, Asia-Pacific, India, and Middle-East and Africa[4].

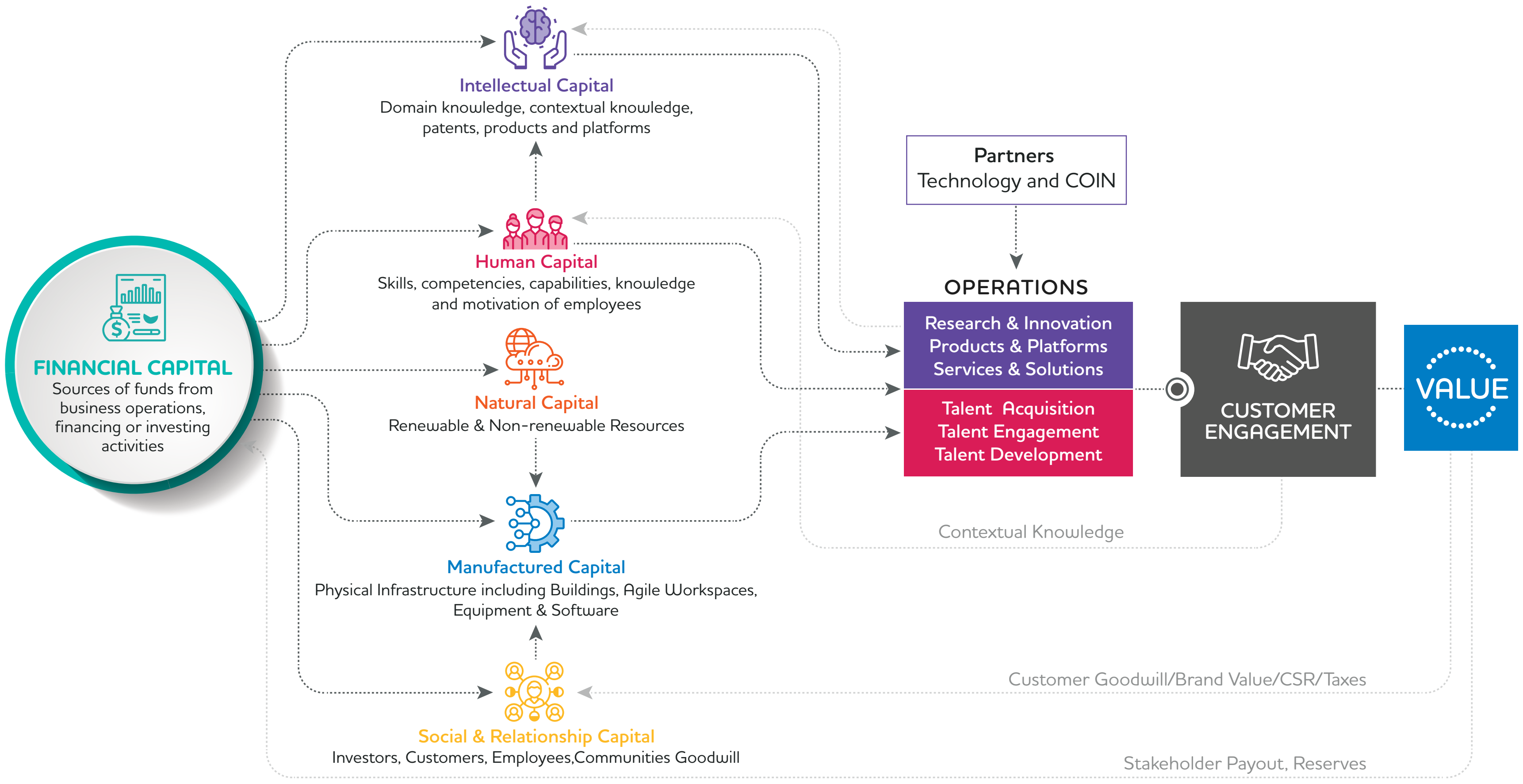
TCS considers industry verticals as its go-to-market business segments. The five key vertical clusters are: Banking, Financial Services and Insurance (BFSI), Retail and Consumer Business, Communications, Media and Technology (CMT), Manufacturing and Others. The last category includes Life Sciences and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



TCS Global Delivery Footprint

[4] 102-4, 102-6

Integrated Business Model



INPUT	OUTPUT	OUTCOMES
Financial Capital	• **$22,174 million** Revenue • **2.7x** growth over the last decade • **25.9%*** Operating margin • **$6,871 million** Invested Funds • **123.1%*** Operating cash flow to Net income ratio • **102.0%*** Shareholder payout to Net income ratio	• Strong growth creates more jobs, and career growth opportunities for employees • Best in class profitability and strong balance sheet provide greater ability to invest in newer capabilities and to weather economic downturns • Consistently high shareholder returns enhances relationship capital
Intellectual Capital	• **5,879** Patents applied • **1,850** Patents granted • **67** academic partnerships and ecosystem of **2,400** startups in COIN program • **6,000+** innovators nurtured till date	• Enabled new business models, new revenue streams • Expanded the addressable market • Differentiated positioning; superior speed to market and generate higher quality revenues • Winning large growth and transformation engagements
Human Capital	• **40,185** Net addition of employees • **7.2%** Attrition • **43 million** learning hours logged • **379k+** associates trained in new technologies • **457k+** associates trained in agile	• Best in class talent retention helps foster contextual knowledge, ensures stability in delivery teams • Upskilling and reskilling at scale has created a large and deep pool of expertise
Natural Capital	• **48.8%** reduction in absolute carbon footprint YoY (Scope 1 + Scope 2) • **63.9%** Reduction in fresh water consumption YoY • **1.65** Power utilization efficiency achieved at 21 data centers	• Limited the impact of the company's physical operations • Fulfilled responsibilities towards environmental stewardship
Manufactured Capital	• **1,000+** Number of agile workspaces • **5** PacePorts • **30+** innovation labs • **11** cities with Covid care centers within TCS Facilities	• Enabled wider adoption of TCS' pioneering Location independent agile model, pre-pandemic • Easy switchover to the SBWS during the pandemic • Greater visibility of TCS' Research and Innovation • More innovation engagements • Relief to employees needing Covid care
Social & Relationship Capital	• **48** $100M+ clients • **101** $50M+ clients • **$14.9 billion** Brand Valuation • **$99.5 million** CSR spend • **1.8 million+** Number of beneficiaries of global CSR initiatives • **787k+** Volunteering hours spent on CSR	• Deep and enduring customer relationships with high repeat business • Greater revenue visibility, lower selling expense • Stronger brand, helping drive higher quality revenue • Very high goodwill in the community, fulfilling the company's purpose

* Excluding provision towards legal claim

Value Creation Model[5]

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

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

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

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

[5] 103-2

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

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

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

Customer Engagement

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

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

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

TCS constantly invests in building newer capabilities and expanding its offerings. By cross-selling and up-selling these new offerings, customer engagements continually expand over the years, covering newer and newer areas of the enterprise's operations.

This further broadens and deepens the contextual knowledge of customers' business and IT landscapes, further enhancing TCS' **intellectual capital**.

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

Value Sharing

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

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

TCS' physical operations consume **social capital** in the form of license to operate in each of the communities where it has its facilities, and **natural capital** in terms of its environmental footprint. TCS enhances its **social capital** with local communities across the world by investing in areas such as education, skill development, employability, health and wellness, and the environment, mapped to UN Development Goals[6]. On the environmental front, TCS has a systematic program to reduce its carbon and resource consumption footprint – including the use of green IT, green buildings, intelligent energy management using its own IoT-based solution and water and waste recycling. It has also been reducing business travel through greater use of video and audio conferencing and other collaboration tools. The near complete switchover to virtual ways of interaction during the pandemic is expected to continue in the longer term, resulting in a structurally smaller environmental footprint in the future.

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

Strategy for Sustainable Growth

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

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

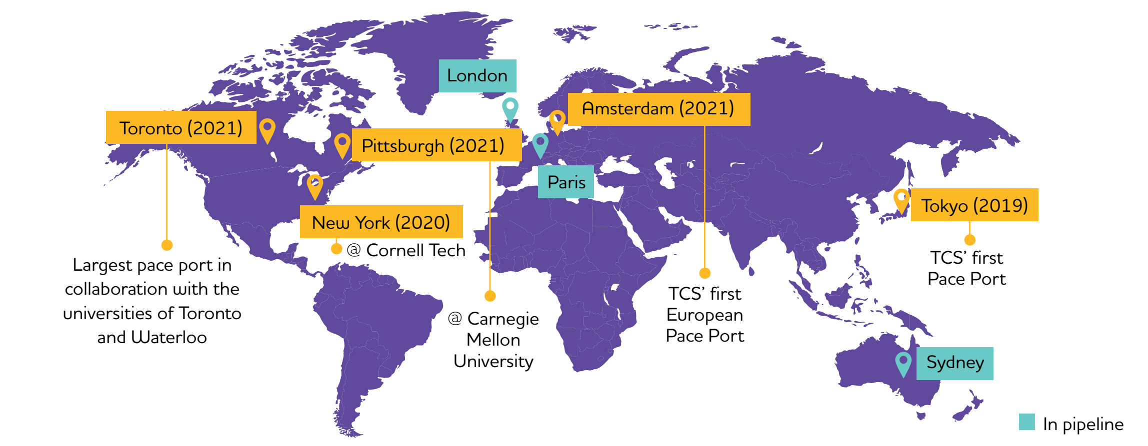
[6] 102-12: TCS is a signatory to the UN Global Compact and aligned with its ten principles. It is also one of the earliest companies in India to participate in the Carbon Disclosure Project (CDP).

Enabling Investments

TCS pioneered the use of the word 'digital' to describe the new family of technologies that emerged in the last few years. Quick to recognize their potential, the company made investments ahead of time[7] in developing relevant capabilities – in terms of reskilling the workforce, research and innovation around the creative use of these technologies to address business problems across different industries, building collaborative workspaces and innovation centers, IP in these new areas, and alliances and partnerships. Those early investments have given TCS a head start in participating in its customers' growth and transformation journeys.

To showcase the outcomes of its own Research and Innovation, and to provide ideation and prototyping spaces for collaborating with customers on their innovation, TCS has been investing in creating a network of Pace Ports in all its major markets. These co-innovation and advanced research centers consist of TCS COIN™ accelerators, Agile workspaces, academic research labs and an innovation showcase, and will help engage customers through the discovery, definition, refinement and delivery phases of innovation. The company set up its first Pace Port in Tokyo (FY 2019) and the second in New York (FY 2020), at the Tata Innovation Center in the Cornell Tech campus. In FY 2021, three new Pace Ports – at Amsterdam, Pittsburgh and Toronto respectively – became operational digitally.

TCS continued to invest in intellectual property and launched several new products within the ignio™ suite, the TCS BaNCS™ suite and the TCS ADD suite. There were also new service offerings launched, catering to the



- **TCS Digital Library:** An interactive channel that delivers cutting-edge thought leadership digitally
- **TCS Rapid Labs:** An innovation factory for quick turnaround of proofs of concepts and MVPs
- **TCS Academic Research Lab:** A collaborative medium to strike partnerships with academia
- **TCS Innovation Showcase:** A sensory experience of TCS' ongoing research and innovation stories
- **TCS COIN™ Accelerator:** An entrepreneurial forum to bring together client teams to solve specific customer problems
- **TCS Agile Workspace:** An environment to produce working-quality pilots and MVP software in short and fast increments
- **TCS Think Space:** A space for researchers and analysts to create new solutions by leveraging digital forces and design thinking methodology

TCS Pace Port™ Network: Integrating Capabilities to Drive Innovation

[7] Ref MD&A – AR FY 2011, CEO's Letter – AR FY 2012

evolving needs of customers during the pandemic. To gain leadership in the rapidly expanding services opportunity around the hyperscale cloud platforms, TCS launched dedicated practice units around AWS, Microsoft Azure and Google Cloud Platform. Each unit is a full-service, multidisciplinary organization offering customers the full range of transformational and operational services on the respective technology stacks, spanning advisory services, migration, application and data modernization, including SaaS and enterprise productivity suites, infrastructure, cyber-security and edge.

TCS also operationalized ten new Threat Management Centres (TMCs) across locations - including the US, UK, Spain and India - for providing cyber security services locally to its enterprise customers. These centres will focus on providing cyber security solutions and services, including managed detection and response services, incident management and breach support, on-demand cyber vigilance services, digital forensics and regulatory compliance.

Thought Leadership

TCS' Business 4.0™ thought leadership framework [8] to guide customers in their growth and transformation journeys was refreshed in FY 2021 to include the defining attributes of successful organizations: purpose-driven, resilient and adaptable. These attributes develop from following four behaviors: mass personalize, leverage ecosystems, embrace risk and create exponential value. This is accomplished by harnessing the abundance of resources – compute power, storage, talent, market reach – created by the convergence of intelligence, agility, automation and cloud.

In addition to this, TCS articulated its three-horizon cloud transformation journey roadmap to guide customers in their core transformation and cloud investments. While these provide a way for customers to think through their digital transformation journeys at a business model level, TCS' thought-leading execution framework consisting of the Location Independent Agile model and the Machine First™ Delivery Model found significant traction in FY 2021, as customers sought greater operational resiliency and efficiency. Operating model transformations using a Machine First approach were seen by customers as foundational for their growth and transformation initiatives.

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

Building on the success of its SBWS model, TCS is now further innovating with service delivery models, launching talent clouds, which enable greater fungibility of talent, resulting in faster project ramp-ups and better delivery outcomes for customers while resulting in higher employee satisfaction.

Outcomes

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

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

[8] Ref AR FY 2018

TCS Strategy

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

FY 2021 PERFORMANCE OVERVIEW: HUMAN CAPITAL[9]

Talent Management

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

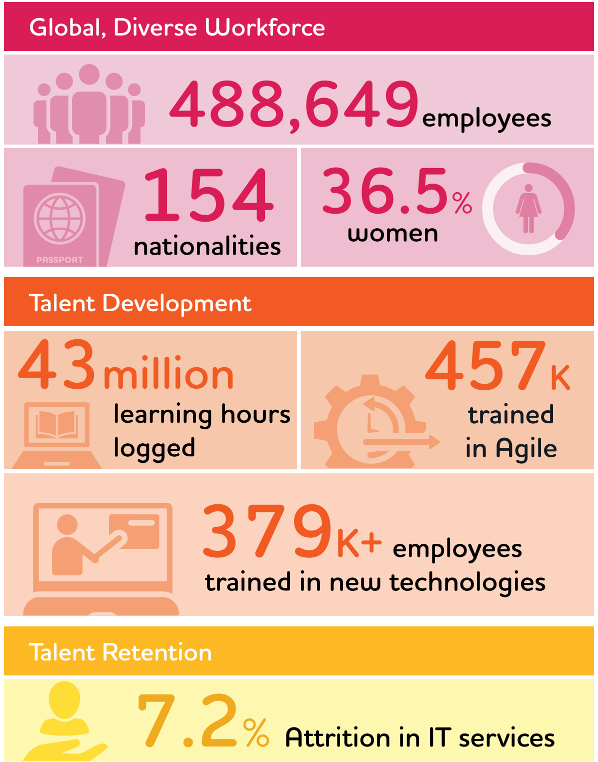
The SBWS operating model that was rolled out in a record three weeks towards the end of the last fiscal year, proved its strength in FY 2021, enabling every activity that hitherto required physical presence, to be executed remotely. Freed from the constraints of physical location, TCS launched an innovative concept of talent clouds or virtual teams of individuals who are physically distributed across locations, but made available to any project seamlessly, as per client demand and project requirement. This has helped open up more opportunities for employees to explore, across industries, domains and markets, while enabling better utilization of smaller talent pools. Customers are particularly delighted by the faster project ramp-ups that this model enables, and the superior outcomes.

TCS also announced Vision 25x25, wherein by year 2025, only 25% of the workforce will need to be physically present in TCS offices at any point, and an employee needs to spend no more than 25% of their time in a TCS office to be 100% productive. This is expected to make a significant difference to employees' quality of life, open up opportunities to demographic segments disadvantaged by the current way of working, help enhance TCS' ability to attract and retain diverse talent further and reduce its environmental footprint.

Pandemic Support

Employee health and wellbeing continued to be a key priority in FY 2021. In addition to existing health care benefits, which are a benchmark in the industry, the company launched several initiatives to help employees receive prompt medical attention. Besides a medical helpline, TCS partnered with leading healthcare chains to provide ambulance services, hospital admission assistance and home healthcare services to employees in India.

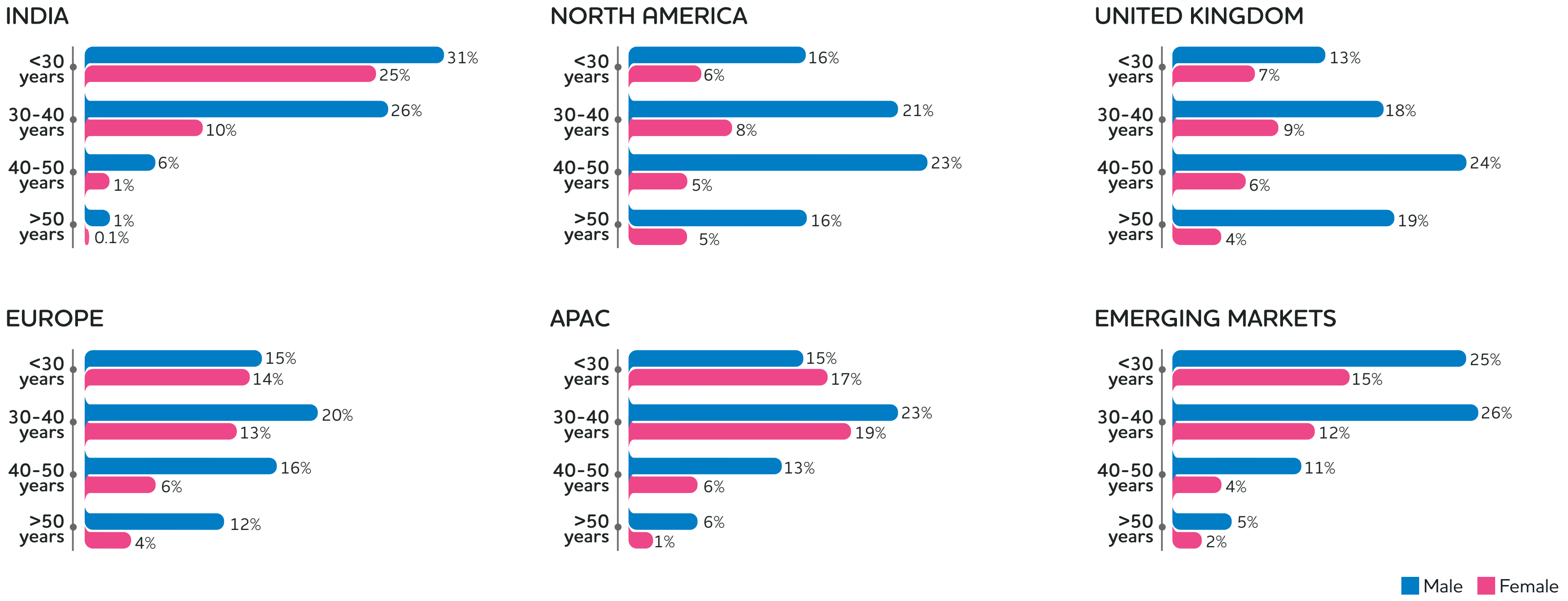
[9] 103-2, 103-3



TCS also set up first-line COVID-19 Care Centers at its premises in 11 cities in India to help employees and their dependents quarantine safely and receive medical attention. The functioning of the existing Occupational Health Centers (OHC) was revisited to ensure better preparedness for medical emergencies from a COVID-19 perspective, with round the clock availability of OHC doctors, and tele medicine.

Thousands of employees and their families who were stranded overseas due to flight cancelations were repatriated through the Vande Bharat Mission. TCS provided self-help resources and counselling services to help employees overcome mental and emotional challenges through the TCS Cares initiative.

A break-up of the workforce by region, age and gender is provided in the charts below[10].



TCS Employees by Region, Age and Gender

[10] 102-8

Talent Acquisition[11]

TCS' talent acquisition strategy is to identify, engage and hire Top Talent with the right competencies required by the business at the right time to promote future business growth. TCS continues to be the Employer of Choice and delivers a meaningful experience to associates and business through an agile, and data driven ecosystem.

The company remains the preferred employer at leading engineering campuses in India. The company's college recruitment efforts in USA, Canada, Latin America, China and Hungary have been progressing well with very encouraging outcomes. TCS was one of the largest job creators in IT services in several major markets. In the United States, TCS has hired over 21,500 employees over the last five years.

In FY 2021, the company had a net addition of **40,185** employees to its global workforce.

TCS National Qualifier Test

This nationwide online test administered by TCS iON™ has helped TCS tap into the larger national talent pool and boosted the quality of entry-level talent. The FY 2021 was fully virtual, so students could attend it from the safety and comfort of their homes.

- Participation by 368,894 students
- 3,157 colleges represented

Academic Interface Program

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

- India:
  - 686 institutes
  - 1,069 student workshops; 120,996 students
  - 524 Faculty Development Programs; 20,306 teachers
  - 1,302 internships, incl 20 global interns
- Outside India
  - 422 institutes
  - 330 student workshops; 21,991 students
  - 10 Faculty Development Programs; 651 teachers
  - 296 internships
- 2,332 associates are pursuing higher studies under the TCS Higher Education program

Gamified hiring

Programming contests to spot top talent

- 3,708 Gamified hiring offers made
- 354,000+ registrations from 98 countries in CodeVita's 9th season

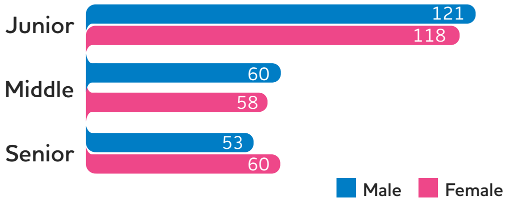
Launchpad 2021

Exclusive Campus Commune channel to engage 2020-21 batch through blogs, quizzes, podcasts, webinars, to nurture the talent and also prepare them for the upcoming National Qualifier Test (NQT).

- 247,000+ students of the FY 2021 batch participated

[11] 102-9

Talent Development[12]



FY 2021 Average learning hours per employee[13]

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

In response to COVID-19, rigor in learning was intensified, with a focus on building deeper and higher competencies. Starting with the post-offer engagement to onboarding – the entire process has been 100% virtual. This virtual ecosystem has enabled trainees to become SBWS-enabled and start their business journey immediately after joining. In the new way of working, engagement with learners has changed significantly.

- Reinvention of teaching and assessment methods with virtual breakout rooms, digital whiteboards, menti-meters, peer tagging, simulation, online games etc.
- Rollout of virtual versions of previously in-person leadership and soft skills programs for uninterrupted upskilling.
- Segmentation of employees to achieve focused learning objectives. Eg: by allocation status, by experience levels, by extent of digital skills etc.

The Contextual Masters pool has grown to over 16,000 in FY 2021, further strengthening the Company's cadre of Growth and Transformation leaders capable of engaging with CXOs on their transformation agenda.

Talent Engagement

TCS has proactively reimagined employee engagement with its "Engagement with Purpose" model focused on health and wellbeing, lifelong learning, career development, living TCS' values, social collaboration and community service. It is a virtual, mass-personalized subscription-based program with continuous real time feedback. The company has meaningfully engaged with over 400,000 employees, helping foster togetherness during trying times. The #OneTCS Channel has seen very good response and has helped employees meet, connect, learn, share and spend some time with each other virtually. The Company's internal associate satisfaction survey PULSE showed the highest associate satisfaction and engagement scores in the last 13 years.

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

- **Cara:** AI-based HR assistant that answers employee questions on HR policies.
- **Milo:** Chatbot to facilitate the mentoring process.
- **Knome, KnowMax, GEMS:** Platforms for social collaboration within the organization, learning, sharing and for rewards and recognition.
- **Safety First:** Initiative focused on employee safety and security.
- **Fit4life:** Builds a fraternity of health and fitness conscious employees and creates a culture of fitness
- **Purpose4life:** Forum for volunteering for community projects in the areas of education, health and environment.
- **Maitree:** Community of TCSers and their families who plan activities that help create a bond among employees and promote work-life balance.

[12] 103-2, 103-3
[13] 404-1

- **PULSE:** TCS' annual employee engagement and satisfaction survey is the organization's formal listening forum.

- **TCS Cares:** Program aimed at creating robust avenues to build an emotionally strong and mentally resilient workforce.

Career Management

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

- **Xcelerate** is an integrated platform to capture associates' aspirations and mapping them to future opportunities.

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

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

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

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

Competitive Compensation

TCS' business model depends on its ability to attract and retain talent in the highly competitive, global market for software engineers with graduate or post-graduate degrees in engineering and with relevant technical skills.

Compensation levels are merit based, determined by qualification, experience levels, special skills if any, and individual performance. Compensation structures are driven by prevailing practices in each country that TCS operates in. The company regularly benchmarks its compensation plans and benefits with the market to ensure competitiveness.

Across the enterprise, remuneration is the same for men and women working full-time, in the same grade, in the same role, and at the same location[14]. Where relevant, the company publishes the raw mean and median pay differences between genders (not normalized for part-timers or grade and role differences) on its own website as well as on public sites.

The company offers a variety of benefits to full time employees including parental leave[15]. In FY 2021, a total of 16,907 employees availed of parental leave. Of these, 116 were men and 16,791 were women. Of the 18,767 employees whose parental leave ended during the year, 127 were men and 18,640 were women. Of these, 91 men and 16,176 women employees rejoined work, amounting to a retention rate of 72% and 87% respectively.

At TCS, three months' notice is required from either side for termination[16]. In India, 0.03% of the workforce is unionized[17]. Although most of the

[14] 405-2
[15] 401-3
[16] 402-1
[17] 102-41

organization's activities are performed by full-time employees, TCS uses contractors, especially for short-term assignments or those requiring skills not internally available.

In FY 2021, the company launched Elevate, a new merit-based, democratized and transparent talent framework designed to establish a tighter linkage between learning, skill development, career and compensation. Over 138,000 employees were onboarded in this program.

Talent Retention

TCS' empowering culture, philosophy of investing in people, career growth opportunities, and progressive HR policies have resulted in consistently high retention levels and developed a strong employer brand. In recent years, the company's investments in organic talent development and initiatives like Contextual Masters have further reassured employees that the company values them for the contextual knowledge they possess and is prepared to invest in equipping them with new-age technology skills that they do not have.

This has made TCS the employer of choice, and its employee retention record an industry benchmark. In FY 2021, TCS' IT services attrition rate was at an all-time low of 7.2%.

Talent Diversity[18]

TCS is an equal opportunity employer, embracing diversity in race, nationality, religion, ethnicity, marital status, gender, age, physical ability, and sexual orientation.

Through a variety of initiatives and campaigns, the company celebrates the diversity within the workforce and promotes inclusion. The company has a well-defined and progressive Diversity and Inclusion Policy with a focus on gender diversity (men, women, non-binary gender), persons with disability and neuro diversity, sexual orientation, diversity of the mind and generational diversity. This includes parental leave and insurance cover for LGBTQ+ partners and gender re-assignment surgery, besides equal opportunity and fair practice. TCS' Center of Excellence for Accessibility works on IT solutions for differently abled individuals, aiding their integration into the workforce.

The company believes that its new hybrid working model as envisaged by Vision 25x25 is inherently more inclusive, and will help various demographic groups disadvantaged by the old way of working, to overcome those constraints and pursue fulfilling careers at TCS, further boosting workforce diversity.

[18] 103-2, 103-3

Towards creating a more inclusive and equitable workplace, the company has programs like:.

- Champions of Equity, a company-wide campaign that entails senior leaders pledging to fair and equitable practices and serving as role models to the rest of the organization.
- Allies of Diversity, a larger dialog on diversity and inclusion that also includes leaders from customer organizations.
- Race Education, a learning initiative to build awareness around socio-cultural understanding of race and its manifestation at the workplace.

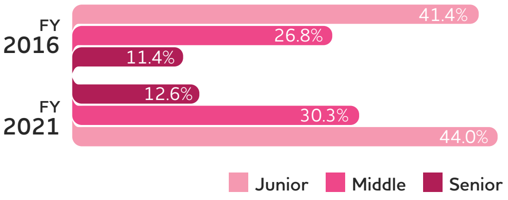
Women in the Workforce

TCS is one of the world's largest employers of women. The company has multiple initiatives for helping women employees realize their potential, while striking a good work-life balance. These include discussion circles and support groups to help women through major life stages, re-orientation programs to reconnect employees after long childcare leave, interactions with inspirational women leaders, and special leadership development programs to address the needs and aspirations of women at different stages in their careers, learning modules to equip mid-level managers to work with diverse teams, tie-ups with day care centers near the workplace, virtual support groups and parenting workshops.

iExcel is TCS' flagship program to groom mid-level women managers for business leadership roles through an immersive curriculum designed to improve problem solving, learning agility and innovation. Till date, over 969 employees have undergone this program, including 343 women leaders in the virtual editions organized in FY 2021.

These programs are yielding encouraging results and are expected to steadily increase gender diversity especially at senior levels in the coming years. A few key outcomes are detailed below:

- **Participation:** The overall percentage of women in the workforce has gone up from 33.8% in FY 2016 to 36.5% in FY 2021. There has been significant improvement in women's participation across different levels over the last five years:



Women in the Workforce

- **Role Mobility:** 67% of the participants in the iExcel program reported role movements thereafter. 42% experienced upward progression, 4% had enhanced responsibilities, while 21% had lateral movements.

- **Mentorship:** Participants in these programs are also helping develop and advance others. 343 iExcellers are active mentors, having mentored 2,310 employees till date, an average of 7 mentees per iExcel mentor.

- **Innovation:** This is a high focus area, helping TCS gain a differentiated positioning in the market. Of the 2,837 unique inventors responsible for the 1,850 granted patents till date, 607 are women.

Occupational Health and Safety[19]

TCS has a well-defined Occupational Health and Safety policy and supporting processes to ensure the safety and well-being of its employees. Safety lead and lag indicators are measured across the organization and reported. The board-level Stakeholders' Relationship Committee reviews the company's health and safety performance on a regular basis. Over 96% of the workforce is represented in joint management-employee health and safety committees[20] that monitor, advise and drive occupational, health and safety initiatives.

TCS is certified to ISO 45001:2018 Occupational Health and Safety Management System standard across 120 of its facilities worldwide. With SBWS becoming the new normal, employee engagement programs transitioned to be able to address the most material issues for employees while they work from home. Ergonomics and general safety at home, stretches and fitness, including yoga and meditation practices, mental health – were the most relevant topics which drew employee participation. Employees' families, including children, were also engaged in such sessions.

SBWS Ergo track was instituted to help employees understand ergonomic stressors and equip them with ways to adopt the best feasible posture while working from home. Ergonomics @ Home webinars were conducted every week, reaching over 10,000 employees. There were also sessions on ergonomics for employees' kids. A series of self-help tools were created for employees including tips and videos on home ergonomic postures and workstation stretches, blogs posts on ergonomics and wellbeing and an ergo self-assessment quiz. The program has reached over 27,000 employees since the start of SBWS.

Awards and Accolades for Human Capital

- Given the Best of Best award by the Association of Talent Development for the second time in a row, for sustained excellence in learning integration and effectiveness, strategic value of learning and individual and company performance.

[19] 103-2, 103-3
[20] 403-4

- Awarded 18 Stevies® at the 2020 Great Employers Awards; six Gold Stevies, eight Silver Stevies and four Bronze Stevies in recognition of TCS' talent management, CSR and business practices that have helped it attract retain the best talent to build a global, diverse workforce, and a vibrant workplace.

- Won the Top Women Award for Corporate Citizenship in South Africa, hosted by Standard Bank, in recognition of its role in advancing women to leadership roles.

- Named a Global Top Employer by the Top Employers Institute for the sixth successive year for its employee-friendly workplace practices and continued investments in building up talent across the organization through professional development initiatives and digital skills programs. In addition, it has been certified as a Top Employer in Europe, UK, North America, APAC, MEA and LATAM. It was ranked the #1 Top Employer in the US, UK, Finland, Switzerland, Singapore, Philippines, Malaysia, Hong Kong, Ecuador, Chile and Australia in the country-wise rankings.

- Won three awards for talent management and excellence in learning at the 2020 Brandon Hall Group Awards; two Gold awards for 'Best Advance in Creating a Talent Strategy' and 'Best Learning Program Supporting a Change Transformation Business Strategy' and a Silver award in the category 'Best Use of Games and Simulations for Learning'.

FY 2021 PERFORMANCE OVERVIEW: INTELLECTUAL CAPITAL

This is a milestone year for TCS Research and Innovation (R&I). TCS' first research lab was established forty years ago at the Tata Research, Design and Development Centre (TRDDC) in Pune. TCS Research marked its 40th year by adopting a new brand identity with the tagline `Inventing for Impact'. TCS R&I made a significant contribution towards mitigating the effect of the pandemic across areas such as drug candidate molecule discovery, COVID data management, diagnostic kits and epidemiological study.

Sustained investments over the years have resulted in a significant scaling up of TCS' R&I footprint over the last four decades. Today, TCS has research labs and innovation centers around the world, some deeply embedded within business units, some in collaboration with academia, as part of Pace Ports, as well as dedicated Agile Innovation Centers for customers. The company has over 6,000 inventors and innovators working on advancing scientific knowledge and solving real-world problems.

The company's Chief Technology Officer oversees a three-horizon portfolio of investments spanning current innovation, mid-term and long-term research:

Horizon 01

Derivative Innovations

Investments in labs across key business units to deliver innovative solutions to solve current customer problems. Several of TCS' IP-based products released new features:

- **ignio™** released features related to cognitive procurement, digital workspace and assurance, enabling customers to leverage the power of AI in business and IT functions.
- **TCS MasterCraft™** launched new features for application development, modernization and enterprise data transformation; strengthened its go-to-market strategy with Cloud Service Providers (hyperscalers).
- **Jile™ MarketPlace** was launched to facilitate integration to various commercial and open-source tools in agile project management.

Horizon 02

Platform Innovations

Mid-term investments in cloud-based platforms for orchestration of network technologies, robot communications and logistics, and XR-based avatars.

- R&I is creating digital twin platforms.
- TCS CogniX™ for Finance was launched this year.

Horizon 03

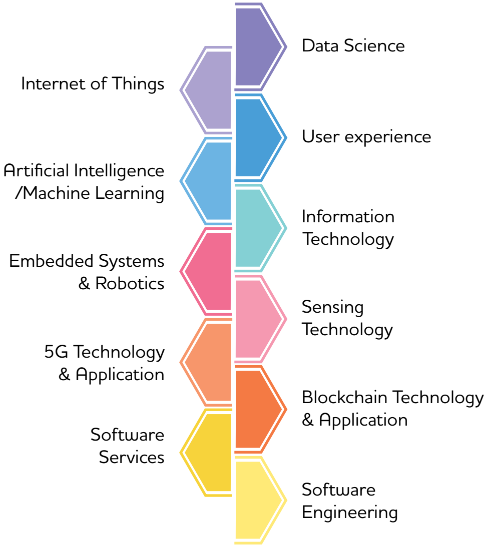
Disruptive Innovations

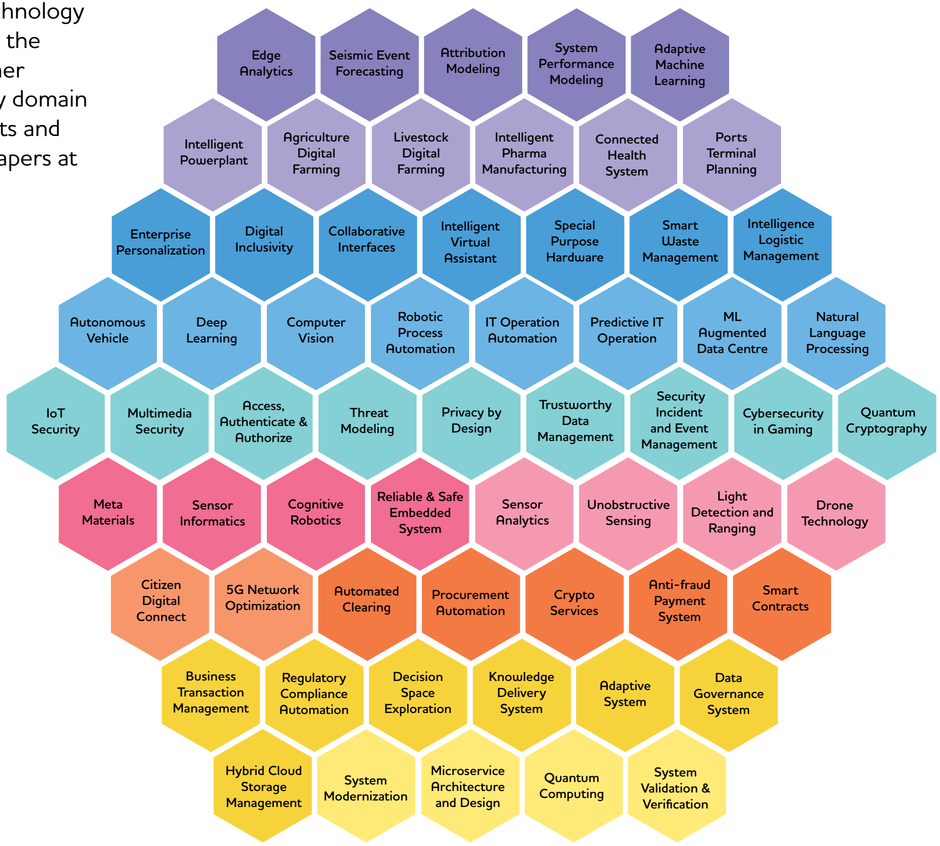
Futuristic investments in new areas such as DNA computing, AI for protein design, cognitive robotics, meta materials, quantum computing and sensing, and digital twins for biology.

TCS Portfolio of Investments for Innovations

TCS R&I is building a rich pipeline of IP based assets consisting of patents, products and platforms. To enable business alignment and to de-risk emerging technology use, TCS' New Products and Services Development framework monitors the pipeline of evolving, future-focused offerings. This has resulted in a further expansion of the IP portfolio across a range of technologies and industry domain processes. As of March 31, 2021, the company has filed for 5,879 patents and has been granted 1,850 patents. TCS researchers presented over 240 papers at premier research conferences and notable journals this year.

SUBJECT CLUSTER





TCS' Patent Wall: Breakup by Themes

Broad-basing Innovation

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

TCS DynaPORT™: This solution from the Travel, Transportation and Hospitality unit is for seaports and terminal operators. This one-stop digital terminal operating system (TOS) streamlines order-to-invoice processes and supports multi-modal and multi-purpose requirements. It currently powers over 80 terminals across the globe.

TCS Omnistore™: With TCS OmniStore, retailers can orchestrate unified omnichannel customer journeys, build new services and apps quickly without worrying about channel constraints, and ensure their stores are 'always on' to drive unique, interconnected micro-experiences.

TCS Consent Management Solution: This helps organizations automate compliance towards latest privacy regulations while reducing associated costs. It offers a range of capabilities such as consent collection and enforcement, data subject rights, data masking and data discovery.

Innovation Ecosystem

TCS' Co-Innovation (COIN™) ecosystem continues to expand. It now consists of over 2,400 start-ups distributed across innovation hubs all around the world. The global Academic COIN program now has 67 active partnerships with various institutions. New partnerships were forged with KTH Royal Institute of Technology, Sweden, National Institute of Industrial Engineering (NITIE), Mumbai, and IIT Jodhpur, among others.

Customer Engagement

TCS Research and Innovation connects with customers and partners through several channels. TCS Innovation Forum 2020, its flagship event, was reimagined in a format that was optimal for digital channels. Over 3,700 clients and partners attended the series across editions, totaling 4x attendance over the physical event in 2019. A number of Innovation Days, Round Tables and seminars were held for customers around the world.

TCS Pace Ports™ were launched in Amsterdam, Toronto and Pittsburgh. Pace Ports offer access to COIN accelerators, academic research, design thinking and agile workspaces and innovation showcases, enabling faster innovation. This year Pace Ports anchored 75 customer teams virtually.

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

Social Good

A number of assistive technologies have emerged from TCS R&I, including Assisto (Speech aid for Cerebral Palsy); VHAB (Immersive Physio); Verbose (Speech-to-text); School at Home assistance for disabled; Emotrain (Training for Autistic) and Home Bound (COVID related remote medical assistance). These were especially useful during the pandemic, where much of the training and support for children with special needs had to be virtual.

TCS' Access Infinity platform that has been powering the Sugamya Pustakalaya portal, won the Zero Project Award this year. Launched by Daisy Forum of India (DFI), a not-for-profit organization with a network of over 100 organisations working for the welfare of the visually impaired, the portal has 674,795 books available for download for the print-disabled community.

Socially responsible initiatives launched include the TCS Sustainathon, Seed.Lab and the Digital Sustainability Index. TCS Sustainathon, in its first edition for Singapore, focused on reducing food wastage. TCS and the Malaysian petroleum major PETRONAS launched a Social Enterprise Education Lab (SEEd.Lab), an end-to-end incubation program for a group of young Malaysian to-be-entrepreneurs and to create employment opportunities for others.

TCS and Auckland Business School Launched an APAC-focused Digital Sustainability Index. The new index will track the adoption and leverage of digital technologies by enterprises for their growth and transformation, and for discharging their social and environmental responsibilities, to create longer term value for all stakeholders.

Other investments in sustainability initiatives like digital farming, the energy value chain, and water and power savings, continue.

The TCS Research Scholar Program is in its 10th year and has supported 350 scholars from 41 premier institutes till date. TCS' researchers mentor young social entrepreneurs solving socially relevant problems at the TCS Foundation's Digital Impact Square (DISQ), Nashik. DISQ entrepreneurs came up with innovative solutions for coping with the pandemic.

TCS Suite of Products and Platforms

TCS BaNCS™

- 19 new wins (50% of the new wins were on TCS BaNCS Cloud) and 25 go lives in FY 2021
- Highlights:
  - Banking: Serves more than 25% of the world population. Two of the world's largest core banking implementations run on TCS BaNCS, processing 1 billion accounts
  - Capital Markets: Performs clearing and settlement in over 20 markets worldwide. Records 10 million trades per day (peak), represents $40 trillion worth of AUC across 100 countries
  - Insurance: Administers over 20 million life, annuity and pension policies; 135 million property and casualty policies
  - Global Securities: It offers ready market connectivity to 45+local markets for settlements, with 8 of the top custodians running on the solution

TCS iON

- Digital Glass room: Virtual learning platform, made available to educational institutions across the country shut down by lockdown, free of cost. Garnered registrations from 37,000 institutions. Remote internships for students across trending domains guided by industry mentors, helped 2.6k college students
- Assessment: 273 million+ candidates assessed till date; 10.5 million+ answer books evaluated, 900,000 registrations for TCS NQT in FY 2021. Remote assessments served 28 million+ candidates. Socially distanced assessments for in-center exams across 700+ cities through zero-touch biometric, crowd management, process digitization, which lead to 20 million+ youth securing their future in academic admission / job recruitment.
- Learning: 12 million+ learners on the platform, 71,000 courses available, 490,000+ communities
- Process Management: 700+ SMB clients, 145+ education ERP clients
- 300+ new wins in India and 7 in International market
- Strategic partnerships in India with bodies like National Skill Development Corporates (NSDC) and the state governments of Kerala and Telangana towards skills development

ignio

- World leading cognitive automation software for IT and business operations. FY 2021 highlights:
- 50+ new wins; 180% YoY growth in channel partners
- Manages over 1.5 million technology resources autonomously
- 84 patents filed to date; 30 granted

TCS ADD

- Comprehensive suite for digital transformation of drug development and clinical trials
- Executed 500 trials on ADD
- Customers: 9 out of the top 10 pharma companies
- Key implementations: Redesigned operational analytics for top 3 pharma, implemented advanced submission planning for a pharma major's regulatory submission; rolled out cognitive automation of pharmacovigilance for 62 studies ; 12k+ shipments completed ; 10k+ kits dispensed ; 90%+ adherence rate on Decentralized Trials solution; implemented eConsent for 11 studies
- Set up COVID study on ADD in less than 10 days for a leading Asia- based pharma major

TCS HOBS™

- Plug and play SaaS based business platform to digitally transform business, network and revenue management domains of subscription-based businesses
- Prevented revenue leakage of over $100 million and has delivered cost savings of over $25 million for customers globally in FY 2021.
- Serving 33+ clients, across Communications, Utilities, Manufacturing and Personal Care; Serving 22 million+ subscribers, handling 145,000+ devices and processing 1.2 billion+ events.
- 13 new wins and go-lives in FY 2021

TCS Twinx™

- AI powered system of actionable intelligence – powered by an enterprise digital twin (customer, product, process) to help business leaders simulate and optimise enterprise decisions, predict and proactively manage outcomes
- 7 new wins and 3 go-lives in FY 2021

jile

- SaaS-based, scalable Agile DevOps platform to accelerate software development and delivery and integrate DevOps tools
- 14,000+ active users till date

TCS Optumera™

- AI-powered retail optimization suite that enables retailers to improve sales and margins with integrated merchandising and supply chain decisions.
- 1 new win and 2 go-lives in FY 2021

TCS OmniStore™

- AI-powered future commerce platform that enables unified customer journeys by seamlessly catering to new channels and brand expansions.
- 1 new win and 4 go-lives in FY 2021

TCS MasterCraft™

- Digital platform to optimally automate and manage IT processes
- FY 2021 Highlights: 25 new wins, 96 billion+ records processed for data privacy, 5 billion+ records processed for data quality, 57+ million lines of code (mloc) analyzed, 5+ mloc generated

- Intelligent smart contract development toolkits, Integration solutions and 'Designed for DLT' business solutions that provides foundational technology, tools and business components for creating distributed ledger solutions across varied industries
- Built on the core principles of Coexistence, Integration and Interoperability, Quartz enables existing systems to coexist and integrate with blockchain platforms and other messaging networks
- 10 new wins and 2 go-lives in FY 2021

Awards and Accolades for Intellectual Capital

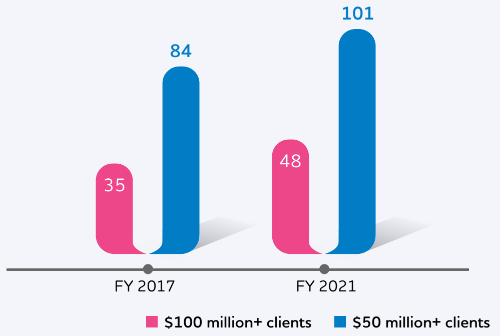
- Awarded the Best Patents Portfolio in the Large Enterprises (Information and Communications Technology and Services) category at the Confederation of Indian Industry (CII) Industrial Intellectual Property Awards 2020.
- Won the CIO Magazine Innovation Award jointly with Damen Shipyards, in the 'Most Innovative B2B Project or Program' category, for Triton, Damen's connected vessel platform, designed and built by TCS.
- Won the Business Culture Award in the category Best Use of Innovation for Business Culture, for building a culture of innovation that welcomes new ideas from across the organization, resulting in an industry-leading portfolio of intellectual property.
- Highly Commended in the category Best Enterprise AI Solution at The AIconics Awards, TCS Optumera™, an AI-powered retail optimization suite, helps retailers make data-driven decisions around right-sizing store space, shopper-centric omni-channel assortments, dynamic pricing strategies and compliance. It also won the 2021 Data Breakthrough Award in the category Data Solution of the Year – Retail for empowering retailers to execute integrated strategic decisions.
- Won the 2021 CIO 100 Award for its Intelligent Urban Exchange (IUX) for Workplace Resilience software.
- Won the 2021 IoT Breakthrough Award in the category Enterprise IoT Management Innovation for its Intelligent Urban Exchange (IUX) for Workplace Resilience software.
- Honored with the CIO Choice 2021 award in the category Digital Transformation Enabler for its investments in research and innovation, strong domain knowledge across industries, rigor in service delivery, and comprehensive portfolio of services and platform solutions including IT and advisory services, and digital workplace.
- Conferred the CIO100 Special Award for Business Transformers, IDG India's annual award program that recognizes and honors organizations and their CIOs, for its digital transformation initiatives, including its SBWS operating model, its digital talent platform, and AI-led solution for timely financial book closure.
- Digitate, a software venture of TCS, was ranked #37 among the Top 100 Software Companies of 2020 by The Software Report, recognized for the rapid growth and market leadership of its ignio suite within five years of launch.
- Named the POS Technology of the Year at the Retail Systems Awards 2020, TCS OmniStore™, a flagship product of the TCS Algo Retail™ suite, was recognized for its open architecture and fluid technology stack that allows enterprises to quickly build new journeys, services, and apps without worrying about channel constraints; all this with the flexibility of reusing existing investments. TCS OmniStore™ also won the ICXA Award for Excellence in Omnichannel Interactive Customer Experience, for using interactive technologies to create transcendent brand experiences across channels.
- TCS Connected Clinical Trials solution, part of TCS ADD platform, won the 2020 Citeline Award in the category 'Best Patient-facing Technology Initiative' for providing a positive experience to patients in clinical trials and driving efficiency.

FY 2021 PERFORMANCE OVERVIEW: RELATIONSHIP CAPITAL

Customers

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

Client Metrics



Over time, this has resulted in an expanding participation in the departmental spends of a broad range of stakeholders across the enterprise, including business heads, CMOs, CROs, COOs, CFOs and even CEOs. It has also resulted in a continual expansion of customer relationships in terms of the services consumed, revenue and share of wallet, as evidenced by the movement in the large client metrics over the last 5 years.

TCS was ranked #1 in Customer Satisfaction across Europe for the eighth consecutive year in a large, independent survey of 1700 CxOs of top IT spending organizations by Whitelane Research. Additionally, in the individual country rankings, TCS was ranked #1 by customers in UK, France, Germany, Austria, Switzerland Netherlands, Belgium, Luxembourg and the Nordics.

Suppliers[21]

TCS' Sustainable Supply Chain policy and Green Procurement policy outline its commitment to making its supply chain more responsible and sustainable. In FY 2021, the company integrated sustainability, safety and environmental requirements in its online vendor management system across the various stages of vendor lifecycle – selection, review and renewal.

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

Investors

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

In FY 2021, TCS was quick to embrace virtual meetings for its investor outreach, including meetings, virtual NDRs and conferences. TCS was also the first corporate in India to hold a virtual Annual General Meeting last year.

[21] 308-1

The following table provides the number of investor and analyst interactions by category in FY 2021:

Particulars	Q1	Q2	Q3	Q4	FY 2021
Meetings and Calls	59	29	38	95	**221**
Conferences	47	207	111	62	**427**
Sell Side Analysts	8	8	27	5	**48**
Total	**114**	**244**	**176**	**162**	**696**

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

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

Brand Building

TCS' marketing organization aims to elevate the relevance and vitality of the TCS brand, articulate and drive its purpose, deploy cutting-edge marketing technologies to enhance its targeting and amplification capabilities, enable sales, and promote sustainable practices. In FY 2021, TCS' marketing organization quickly pivoted to meet the accelerated digital push during the pandemic and strengthened its growth and transformation positioning. Key highlights of the year are:

Full Pivot to Digital

- **Rapid shift to digital events** – Innovation Forums, industry events, client workshops, virtual client visits; 500+ events, 20,000 participants, 2,900 client and prospect accounts engaged
- **Digitally enabled customer engagement** – Full deployment of digital marketing for sales enablement, including 500+ campaigns in account-based marketing and 50,000 customer touch points
- **Enabled global marathons go virtual** – Virtual running apps, digital and physical running experiences created

Breaking out

- **Leading the narrative with thought leadership** – New Beginning, Vision 25X25, Secure Borderless Workspaces™, Business 4.0™
- **Launched the 'Transforming India' campaign** – Integrated campaign across digital and television with 1,700 spots; reached 1.6 million high affinity TV audiences; 111 million impressions garnered across digital platforms; over 1 million website clicks generated
- **Global Media Engagement** – Leading the conversation during the pandemic, positioning TCS as a thought leader in technology transformation. This resulted in a greater share of voice with over 50,000 mentions and 4,000 unique stories.
- **Social Media success** – The company used social media channels effectively to amplify its narratives. Its stakeholder engagement resulted in garnering over 5 million followers on LinkedIn, and 100 million organic impressions.

Driving Associate Engagement and Connect

- **Launched the #OneTCS platform:** A medium to drive employee engagement, connection and motivation. An enterprise-wide, arts-driven talent hunt was launched; interviews and online interaction with celebrity sportspersons, lifestyle gurus to keep the #OneTCS platform vibrant for employees. There were 6.5 million unique engagements on this platform.

- **Townhalls, events, consistent multi-channel communication:** These included celebrating milestones such as achieving the goal of Enterprise Agile by 2020, and 10,000 Contextual Masters
- **Pandemic communication with clarity to inform and connect:** Welfare programs, COVID-19 response initiatives, structured employee well-being program via TCS Cares
- **Unique usage of external channels to drive employee engagement**

Brand launch

TCS adopted a new brand statement, Building on Belief, to convey how its partnership with customers goes beyond technology deployment. It helps them make a meaningful difference, translating their aspiration into reality. The new statement conveys how TCS builds on their ambition and optimism to transform their business for the better, the impact of which is felt by their customers and the communities they serve. It also reflects TCS' own belief that it, along with its customers, can harness collective knowledge to innovate in ways that result in better futures for individuals, communities and the planet.

Details of TCS' new brand articulation and purpose can be found here: https://www.tcs.com/buildingonbelief.

Refer to the Panel Discussion on Building on Belief (Page 24), featuring N G Subramaniam, Chief Operating Officer, K Ananth Krishnan, Chief Technology Officer and Krishnan Ramanujam, President – Business and Technology Services

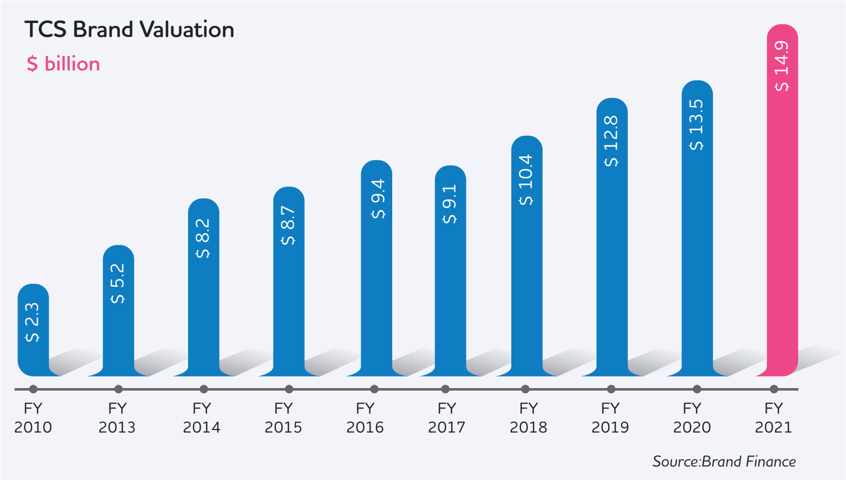
Brand Value

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

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

The cumulative effect of all the goodwill and recognition from these different stakeholders, and concerted efforts by the company's marketing organization have helped put TCS among the Top 3 brands in IT Services by brand value.

According to Brand Finance, TCS' brand value grew by $1.4 billion in FY 2021 , the highest absolute growth among the 25 companies assessed, that too in a challenging year when the brand value of IT services companies collectively dropped by 3 percent. Further, at 10 percent growth over the prior year, TCS has outperformed its other two peers among the Top 3 brands in IT services.



Awards and Accolades for Relationship Capital

Partners

- Won the 2020 SAP® Pinnacle Award in the category Integrated Delivery Partner of the Year, in recognition of its outstanding contributions as an SAP partner, dedication to teamwork, innovative approach and capacity to challenge what is possible, in helping customers achieve their goals.
- Named the Global System Integrator of the Year 2020 by HPE in recognition of its outstanding performance, commitment to customer excellence, focus on growth, innovation, and professional achievements.
- Won 2020 Pega Partner Award for Excellence in Growth and Delivery for leveraging Pega technologies to drive successful digital transformation programs for joint clients in the insurance, manufacturing and telecommunications industries.
- Awarded the 2020 Canada IMPACT Award for Datacenter Migration by Microsoft Corporation for driving strong business outcomes for its customers, including enhanced security, increased agility, more resiliency, strong TCO benefits and improved governance through both repeatable solutions and transformational wins.
- Recognized by Amazon Web Services (AWS) as the 2020 AWS Migration Success Partner of the Year in India, for TCS' commitment to excellence in helping customers successfully migrate and manage their core applications on the cloud.
- Recognized as a Solution Plus Partner by Intel's Winners' Circle Program, for contributions to the acceleration of #5G and virtual network transformation.

- Won the 2020 Salesforce Partner Innovation Award in the Media Industry category for helping Equifax UK deliver enhanced customer experiences,

Brand

- Ranked among the Top 3 brands in IT services by Brand Finance; TCS clocked the highest absolute brand value growth in the sector in 2020 and was named the fastest growing brand in the industry over the last decade (2010-2020).

- Named a Superbrand in the US and in the UK, on the strength of its brand reputation, business performance, industry-leading job creation, scale of employee training and development, and commitment to corporate social responsibility initiatives.

- Ranked among the Top 100 US brands, across all industries, by Brand Finance for the sixth year in a row. TCS was ranked #59, up two places from last year.

- Won 2 Stevies at the 2020 American Business Awards®, for the 2019 TCS New York City Marathon app. TCS received a Gold Stevie® in the category Mobile Marketing Campaign of the Year and a Silver Stevie in the category Best User Experience.

- Ranked at second place for the Analyst Relations Team of The Year award by the Institute of Industry Analyst Relations, based on their poll of over 100 top industry analysts.

- Listed among the Top 10 in five categories – Customer Favourite, Best AR Team, Biggest Improver, Analyst Advocacy Award and Overall Champion, in a survey covering over 300 analysts globally, by The Analyst Observatory at the University of Edinburgh Business School. Notably, this is an unaided measure of analyst mindshare of the larger universe of software vendors, technology providers, hyperscalers, telecom companies and system integrators.

- Won the 2020 Gartner Communications Award in the category 'Excellence in Building a Corporate Brand' for its multi-phased communication strategy, centered around its Business 4.0™ thought-leadership framework.

- TCS Transforming India campaign has won the Best Integrated Campaign Award - Gold at the Exchange4Media - India PR and Corporate Communications Conference 2020,

Top: Open Agile collaborative workspaces to support all stages of the innovation lifecycle
Bottom: Covid Health centres created at TCS' campuses in 11 cities

With SBWS, TCS enabled most of its workforce to be fully productive while working remotely. Through out FY 2021, less than 4% of the workforce worked out of its facilities, mostly confined to very sensitive projects and activities such as R&D which necessarily require specialized equipment and controlled environments. To create a safe workplace for them, TCS deployed its IUX for Workplace Resilience solution which combines risk analytics with key business relaunch functions, including workforce safety, regulatory compliance, operational resilience, and customer engagement.

Its business command dashboard enables site administrators to monitor the daily risk profile and risk prediction for over 180,000 TCSers in India on a rolling seven, 14- and 21-day basis, easing workforce deployment planning. Based on the daily risk scores, site administrators could decide which of the employees could be safely allowed to return to work, if required.

Additionally, to ease the pressure on strained local medical infrastructure and help TCSers and their families safely quarantine themselves in the event of testing positive to the virus, TCS built 11 Covid Health Centers across various cities at its campuses, with a cumulative capacity of 240 beds.

Looking ahead, TCS' Vision 25x25 envisages a very different role for the office, to serve as physical hubs for collaboration, innovation and team building, while routine work can get done from anywhere. Towards this, the company has already built Incubation Development Centers at some of its locations, which will be further refined to align with business requirements. These locations are going to be Open Agile Collaborative Workspaces with Software Defined Network rolled out in a phased manner. This will give the teams mobility, flexibility and seamless collaboration environments for their business functions. TCS is also planning to consolidate old leased, non-agile and smaller vintage facilities to new owned campuses, optimizing its operational expenses.

FY 2021 PERFORMANCE OVERVIEW: FINANCIAL CAPITAL[22]

The discussions in this section relate to the consolidated, Rupee-denominated financial results pertaining to the year that ended March 31, 2021. The financial statements of Tata Consultancy Services Limited and its subsidiaries (collectively referred to as 'TCS' or 'the Company' are prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

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

$ million

	FY 2021 Adjusted*			FY 2021 Reported		FY 2020	
	Revenue	% of Revenue	% Growth	Revenue	% of Revenue	Revenue	% of Revenue
Revenue	22,174	100.0	0.7	22,174	100.0	22,031	100.0
Earnings before interest, tax, depreciation and amortization (EBIDTA) (before other income)	6,290	28.4	6.4	6,125	27.6	5,909	26.8
Profit Before Tax (PBT)	6,079	27.4	2.5	5,914	26.7	5,933	26.9
Profit after tax attributable to shareholders of the Company	4,513	20.3	(0.6)	4,384	19.8	4,541	20.6
Earnings per share (in $)	1.21		(0.3)	1.17		1.21	

* Excluding provision towards legal claim

Analysis of revenue growth

On a reported basis, TCS' revenue grew 0.7% in FY 2021, compared to 5.3% in the prior year, due to the sharp revenue reduction in the first quarter across industry segments from the pandemic impact.

Average currency exchange rates during FY 2021 for the three major currencies are given below:

Currency	Weightage (%)	FY 2021 ₹	FY 2020 ₹	% Change YoY
USD	52.0	74.06	71.23	4.0
GBP	13.5	97.32	90.15	8.0
EUR	12.0	86.69	78.94	9.8

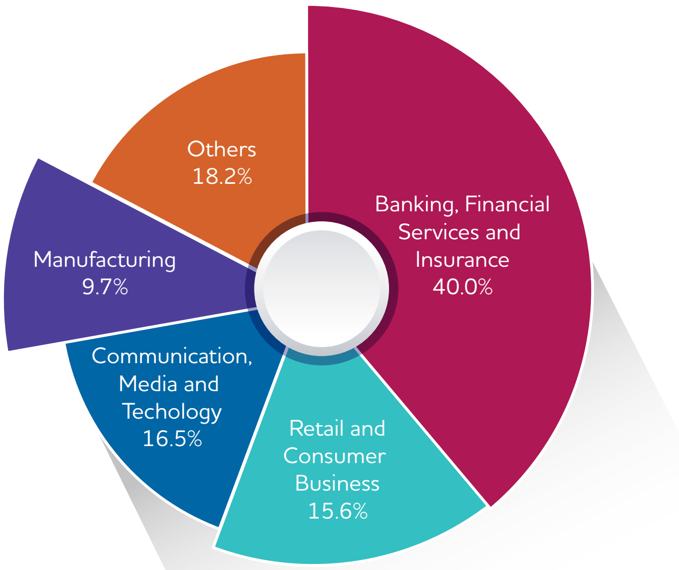
Movements in currency exchange rates through the year resulted in a positive impact of 1.5% on the reported revenue. The constant currency revenue growth for the year, which is the reported revenue growth stripped of the currency impact, was (0.8)%.

Growth attributable to	FY 2021 (%)	FY 2020 (%)
Business growth	(0.8)	7.1
Impact of Exchange rate	1.5	(1.8)
Total Growth	**0.7**	**5.3**

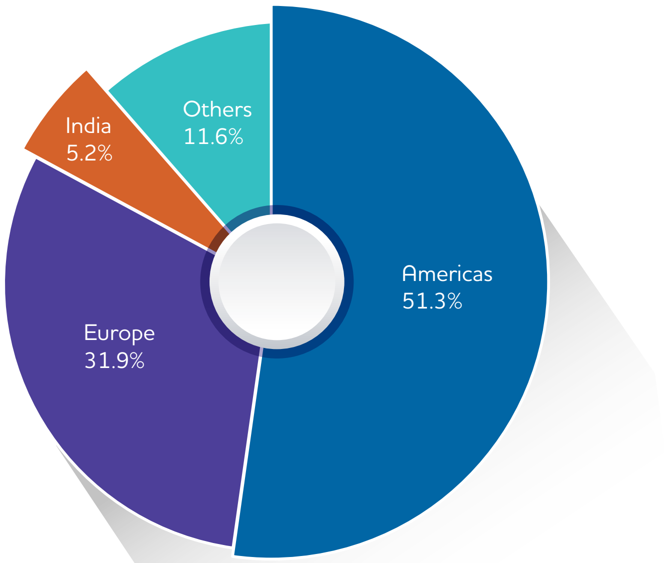
[22] 103-3

Segmental Performance

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



Revenue by Industry Vertical



Revenue by Geography

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

Industry Vertical	Segment Revenue FY 2021 *(FY 2020)* $ million	YoY Revenue Growth %	Commentary	Segment Margin FY 2021 *(FY 2020)* %
Banking, Financial Services and Insurance	8,864 *(8,578)*	3.3	• Key investment themes included customer experience transformation; future readiness through core transformation including platform simplification and modernization and cloud adoption; optimization of back office operations. • Other key areas of spend included adoption of payments, robo-advisory systems and crypto-custody solutions • Market reform such as CAT, LIBOR Transition, SFTR, BREXIT also drove significant spend especially around the use of predictive analytics, AI, NLP and automation.	28.5 *(27.7)*
Communication, Media and Technology	3,656 *(3,645)*	0.3	• Parts of the Media sub-vertical, related to live sports, events, entertainment and radio were affected by the pandemic. • Key investment themes included 5G and fiber rollout, network virtualization, operating model transformation, product and platform engineering, business simplification, data and analytics and cloud enablement. • M&A and business separation activities was another key driver of spend.	29.6 *(29.6)*
Retail and Consumer Business	3,456 *(3,689)*	(6.3)	• Retail and CPG – Discretionary retail and some parts of CPG were impacted by the pandemic. Spending was driven by transformation in Demand Planning, Forecasting and Replenishment to ensure continuous availability of high demand essential items; unified customer experience across channels, contactless pick-up / payment, curbside pickups etc; D2C and e-commerce initiatives in CPG. • Travel, Transportation & Hospitality – The sector was badly impacted by pandemic restrictions. Key investment themes include contactless operations and self-service, operating model changes, and simplification.	28.0 *(26.2)*

Industry Vertical	Segment Revenue FY 2021 *(FY 2020)* $ million	YoY Revenue Growth %	Commentary	Segment Margin FY 2021 *(FY 2020)* %
Manufacturing	2,154 *(2,313)*	(6.9)	• Large parts of the manufacturing sector were impacted badly by the plant closures and supply chain disruptions. This resulted in postponements in capex and discretionary programs. • Key spending themes included IT infrastructure and movement to the cloud, Plant safety and industrial applications such as remote asset management, IT security, Supply chain resilience, in-vehicle software, connected products. • In the Utilities sub-vertical, key areas of spend included geospatial systems, customer service, and operational resilience and optimization.	28.2 *(27.0)*
Others	4,044 *(3,806)*	6.3	• Growth in the Life Sciences segment was led by pandemic related initiatives such as adverse event processing for the vaccine, M&A synergies through IT integration, digital marketing and analytics, IT operating model transformation, cloud enablement, workplace modernization and cybersecurity. • Key areas of spend across other verticals included M&A, cloud adoption, cyber security, operations optimization and vendor consolidation	27.5 *(22.6)*

Overview of Funds Invested

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

($ million)

	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
	Current		Non-current		Total funds invested	
Investments in mutual funds, Government securities and others	3,973	3,465	24	23	3,997	3,488
Deposits with banks	524	161	98	46	622	207
Inter-corporate deposits	1,530	1,083	4	4	1,534	1,087
Cash and bank balances	718	1,092	-	-	718	1,092
Total	**6,745**	**5,801**	**126**	**73**	**6,871**	**5,874**

Total invested funds include $178 million and $159 million for FY 2021 and FY 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Business Outlook

Global economic growth is projected to grow at 6 percent[23] in 2021 after an estimated contraction of 3.3 percent in 2020. While there is still uncertainty on the path of the health crisis, with likelihood of third or fourth waves, and the emergence of new strains of the virus, overall business outlook across industries appears to be positive in all of TCS' major markets. This is expected to result in an expansion in enterprise spending on IT services globally, following a decline in 2020.

TCS anticipates increased investments by customers in growth and transformation initiatives that deepen customer engagement, enable competitive differentiation, improve supply chain resilience and drive revenue growth. Common investment themes that are expected to accelerate across all industry verticals in FY 2022 are: data-driven customer journey transformations spanning front-, middle- and back-office processes and systems to enable enhanced and personalized customer experiences; digital enablers for direct distribution and end-customer engagement; seamless, personalized omnichannel experiences in consumer-facing industries; product and business model innovations; and adoption of open APIs to enable purpose-driven ecosystems.

Increased activity around mergers, acquisitions and divestitures are expected to drive more opportunities around integration and transitional services. Other industry-specific themes such as regulatory compliance in the banking and financial services domains, supply chain transformation in manufacturing, and connected vehicles in the auto sector are also expected to drive growth. TCS also expects increasing focus on longer term sustainability initiatives across industries, focused on leveraging technology to reduce emissions, wastes and resource consumption.

Core transformation initiatives designed to build a scalable, adaptive, future-ready digital core are also expected to accelerate in FY 2022. TCS anticipates increased spending on business operations transformation using TCS Cognix™; legacy system transformation including application architecture and data modernization; cloud adoption; intelligent automation; cyber-security; IT operating model transformation using a Machine First approach for leaner and more agile operations; and digital workplace transformation for enhanced user experience and superior collaboration. The need for optimization and for freeing up resources for high priority transformation initiatives is also expected to result in more outsourcing engagements and vendor consolidation, helping drive market share gains.

Enterprise Risk Management

The COVID-19 pandemic continues to challenge businesses in every possible way and has amplified existing risks. Operating in an uncertain and ever-changing environment, TCS' global operations bring in considerable complexities and its robust enterprise risk management framework aids in ensuring the strategic objectives are achieved. This framework is supported by processes for risk identification, risk assessment, risk response planning and actions, risk monitoring and overall risk governance. The digital platform for integrated risk management provides an enterprise-wide view of risks covering strategic, operational, compliance, financial and catastrophic risks, providing a holistic approach towards informed decision making. Risks are assessed and managed at various levels with a top-down and bottom-up approach covering the enterprise, the business units, the geographies, the functions, the customer relationships and projects.

[23] World Economic Outlook, April 2021, International Monetary Fund

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

Key Risks	Impact on the Company	Mitigation
Disruption and Uncertainty in Business due to the COVID-19 pandemic	**Customers:** The COVID-19 pandemic extending into the second year has resulted in changes in consumer behaviors, impacting demand in various industries, hurting small businesses and necessitating large fiscal interventions. Tapering off of these interventions, or the emergence of new variants which trigger new lockdowns and other restrictions could disrupt the return to normalcy and impact customers' short-term priorities, growth plans and discretionary budgets. It could also result in restructuring of some contracts, deferment, cancellation of some planned engagements besides other tactical steps such as vendor rationalization, or insourcing of work to captives, impacting the company's revenue growth. **Mobility:** Due to new strains of COVID-19 and increasing trend in infection cases globally, business disruptions due to intermittent lockdowns, international travel restrictions are likely, impacting the mobility of the company's workforce required to travel for work purposes, which in turn may impact service delivery and revenues. **Workforce:** The continuing pandemic may affect not only the health of affected employees, but also their emotional and mental wellbeing, due to physical isolation for a long period. If large numbers of employees are affected, it could result in business disruption and necessitate higher spends for ensuring business resiliency. There could be hesitation to come back to office in the near future from employees who have been working remotely from their hometowns. This may impact employee morale and satisfaction leading to the risk of higher attrition.	• COVID-19 Emergency Response Apex committee at Enterprise level to drive a holistic action plan and coordinate global efforts, based on frequent risk assessments. • Secure Borderless WorkSpaces (SBWS™) infrastructure enabling associates to work from home and ensure business continuity. Digital communication channels and collaboration platforms set up for them to stay connected with colleagues and customers. • Regular communication with customers about measures taken to maintain business services and reporting of their operations status. • Pursuing new and re-purposed offerings and solutions during and post the COVID-19 disruption. • Regular coordination with key suppliers for expeditious provisioning of assets critical for business services • 24*7 dedicated helpline for associates to address COVID-19 related help, queries and for emotional support. Regular webinars, interactive sessions, counseling services (TCS Cares), medical hotline to doctors and fitness sessions for associates. Isolation Centers setup in 11 TCS Offices. • Periodic advisories to associates towards ensuring health and safety. • SOP for operating TCS Offices including implementing Safe Operating Zones for associates required to work from office, thermal screening, self-declaration, frequent sanitization of premises, social distancing layout etc. AI-based Workplace resilience tool implemented in Delivery Centers to aid in risk profiling and contact tracing. • Rigorous review and execution of Business Continuity and Crisis Management capability which is benchmarked with ISO 22301 certification. • Remote working practices for managers and employees integrated into the Location Independent Agile delivery method, to ensure effectiveness and productivity.

Key Risks	Impact on the Company	Mitigation
	However, the company's relative competitiveness is expected to increase because of its traditional value focus and its strong track record in helping customers improve the efficiency and resilience of their business and IT operations through digital transformation initiatives and the Machine First Delivery Model™.	• Regular connect with Government and Health service providers to facilitate planning for logistics and arrangements for vaccination of employees as required. • Encouraging associates to get vaccinated, including facilitation and reimbursement. • Monitoring changes in regulations related to the impact due to pandemic and align internal policies accordingly.
Volatile global political and economic scenario	The Company derives a material portion of its revenues from customers' discretionary spending which is linked to their business outlook. Political disruptions or volatile economic conditions due to geo-political tensions, trade wars, and uncertainty regarding post-Brexit impacts on different business sectors may adversely affect that outlook resulting in reduced spending which could restrict revenue growth opportunities.	• Broad-based business mix, well diversified across geographies and industry verticals. • Offerings and value propositions targeting all stakeholders (in addition to the CIO) in the customer organization, covering discretionary as well as non-discretionary spends, and relevant at every point in the business cycle. • Participating in the customer's growth and transformation initiatives through services and offerings including advisory services, migration and modernization of applications and workplace transformation using location independent agile, deep contextual knowledge and data-driven analytics and dashboards. • Proactively investing in infrastructure and resourcing to satisfy anticipated customer demand for flexible products-and-platforms based solution offerings and subscription-based services to gain market share and new clients and markets. • More long-term contracting models. • Leveraging business ecosystem through collaboration with partners, startups and alliances to participate in transformation initiatives of customers.
Restrictions on global mobility, location strategies	Distributed software development models require the free movement of people across countries and any restrictions in key markets pose a threat to the global mobility of skilled professionals. Restrictions on mobility due to the pandemic, or due to legislations which limit the availability of work visas or which apply onerous eligibility criteria or costs could lead to project delays and increased costs.	• Ongoing monitoring of the global environment, working with advisors, partners and governments. • Material reduction in dependency on work visas through increased hiring of local talent including freshers, use of contractors, local mobility and training in all major markets. • Leveraging the SBWS™ model to source talent from anywhere and deliver from anywhere. Use of Location Independent Agile to promote systematic collaboration and reduce the need for co-location.

Key Risks	Impact on the Company	Mitigation
		• Active engagement in Science, Technology, Engineering and Math (STEM) initiatives designed to structurally increase the availability of engineering talent in major markets. • Greater brand visibility through event sponsorships, community outreach, showcasing of investments, innovation capabilities and employment generation. • Increased outreach to government stakeholders, trade bodies, think tanks and research institutes.
Business model challenges	Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors. The COVID-19 pandemic has resulted in a major acceleration of technology investments by customers to make themselves future-proof and also to power the revival of their business. This investment shift is targeted to deliver superior customer experience or improve their employee engagement or improve their operational resilience. There is a major shift towards public cloud adoption and cloud-based transformation initiatives as well as digitalization of legacy applications. This is resulting in increased demands on the Company's agility to keep pace with the rapidly changing customer expectations. Failure to cope may result in loss of market share and impact business growth. There is also increased focus on vendor consolidation and corporate restructuring and mergers and acquisitions in some customer industries.	• Investments in building scale and differentiated capabilities on emerging technologies through large scale reskilling, external hiring, research and innovation, solution development and IP asset creation leveraging deep contextual knowledge across customer specific domain, technologies and processes. • Establishment of focused business service units providing end-to-end transformational and operational solutions on leading cloud technology platforms spanning advisory, migration and modernization and support of applications. • Staying relevant to customers by constantly launching new service practices and technology solutions including a new AI-Powered business command solution to help firms assess risk profiles and protect employees returning to offices and modernizing existing offerings and solutions. • Developing capabilities in organization divestiture and integration planning to cater to Merger and Acquisition induced demand for advisory and business consolidation related services. • Thought leadership by propagating the Business 4.0 framework leveraging the Machine First Delivery Model (MFDM™). Developing industry-specific best practices and AI-led Products to enable customers derive greater business value and discover opportunities to transform and grow their businesses. • Implementing Location Independent Agile methods to mitigate location constraints and pricing and margin pressures. • Constant scouring of the technology landscape through alliance partnerships, and strong connections in academia and the start-up ecosystem to spot new trends and technologies and launch offerings around them.

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

Key Risks	Impact on the Company	Mitigation
		• Industry standard data masking technologies to protect personal data in sensitive customer engagements, as applicable. • Review and sign-off of Data Processing Agreement (DPA) with Vendors and Third parties and their tracking for privacy compliance, where required. • Mandatory online training and other workshops on data privacy and protection and on GDPR. Awareness campaigns through blog posts, email broadcasts, gamification, roadshows and online events. • Implementing and maintaining data transfer agreements, where required for the transfer of data across jurisdictions. • Periodic reviews and audits by independent audit firm to verify compliance to obligations.
Cyber Attacks	Risks of cyber-attacks are forever a threat on account of the fast-evolving nature of the threat. There is also an increased risk due to various pandemic themed cyber threats. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.	• Investments in automated prevention and detection solutions, including Perimeter security controls with advanced tools, enhanced internal vulnerability detection, data leak prevention tools, defined and tested incident management and recovery process in compliance with ISO 27001 standard. • Deployment of a security governance tool on all devices used by employees while working remotely, to monitor the work and ensure compliance to company security policies and contractual obligations. • Compliance to security controls for cloud services as per ISO 27017:2015 / 27018:2014 standard. • Continued reinforcement of stringent security policies and procedures including enhanced security measures and awareness building to combat pandemic-themed threats like phishing, soliciting for fraudulent causes or charities, suspicious pleas and communication through social media, text or calls. • Collaboration with Computer Emergency Response Team (CERT) and other private Cyber Intelligence agencies, and enhanced awareness of emerging cyber threats.

Key Risks	Impact on the Company	Mitigation
		• Enterprise-wide training and awareness programs on Information Security including the extensively used enterprise-wide communication and collaboration platforms accessed through mobile or desktop channels. • Strict access controls including dynamic passwords for secure access to enterprise applications and special handling of privileged administrator accounts. Rigorous access management on all Cloud deployments. • Encryption of data, data back-up and recovery mechanisms for ensuring business continuity. • Ability to isolate TCS enterprise network from client network and defined escalation mechanisms to handle security incidents in client environment. • Periodic rigorous testing to validate effectiveness of controls through Vulnerability Assessment and Penetration Testing. • Internal and external audits and forensics.
Non-compliance to complex and changing global regulations	As a global organization, the Company has to comply with a complex regulatory landscape across multiple jurisdictions, covering areas such as Employment and Labour, Immigration, Taxation, Foreign Exchange and Export Control, Environment, Health and Safety, Anti-Bribery and Anti-Corruption, Data Privacy and so on. The laws and regulations are continuously evolving, increasing in number and complexity. This has resulted in greater compliance risk and cost for the Company. The fast pace of changes in the regulatory environment, including those due to the pandemic, also requires quick understanding of their implications and adaptation in business operations. Failure to comply could result in penalties, reputational damage and criminal prosecution.	• Deployment of a comprehensive global compliance management framework that enables tracking of changes to applicable laws and regulations across various jurisdictions and functional areas and managing compliance obligations. This includes those laws and provisions specially enacted directly to cater to the pandemic impacts. • Periodic regulatory compliance certification, which is fully digitized enables self-governance and covers compliance across all the locations of the Company. • Adequate and effective internal controls to comply with regulations and to keep a check on unlawful and fraudulent activities. • Awareness through web-based compliance training courses for all staff and regular notifications/ alerts on regulatory changes communicated to stakeholders. • Strong governance at executive and board level through compliance committees.

Key Risks	Impact on the Company	Mitigation
Intellectual Property (IP) infringement and leakage	Risk of infringement of third-party IPs by TCS may lead to potential liabilities, increased litigation and impact reputation. Inadequate protection of TCS' IP may lead to loss of IP leading to potential loss of ownership rights, revenue and value.	• Established an industry leading IP management framework (IP 4.0) and accordingly have institutionalized frameworks, processes and procedures that address the risk of infringement of third-party IP while ensuring safeguarding of TCS' own IP assets. This strong focus on IP-led growth driven based on the 3P (Patents, Products and Platforms) strategy is contributing significantly towards thinning the competition for TCS. • Established a centralized IP and Software Product Engineering group that strives to build an IP thinking culture and hence covering the IP related awareness aspects effectively. • Well-defined (software) asset lifecycle governance framework that incorporates policy guidance and risk mitigation guidelines on IP, Legal, software product engineering and business-related risks. • IP Governance program that ensures that there is right access and right use of TCS IP, customer IP, partner IP, and third-party IP in service and partner engagements. • Some of the other key controls include: Employee confidentiality agreement, training and awareness for IP protection and prevention of IP contamination and infringement. Digitized system to enable strict controls around movement of people and information across TCS' product teams and customer account teams. • Technology inventions celebrated in TCS by running special programs such as "Invent and Inspire" wherein top inventors and their invention stories are recognized for their success and impact on business.

Key Risks	Impact on the Company	Mitigation
Sustainability Risks - Climate change and Environmental aspects	Growing scientific evidence indicates that extreme weather conditions like intense winter storms (recent event in Texas for example), rainfall, cyclones, droughts, are attributable to climate change. As a result of changing weather and seasonal patterns, there are also increasing cases of seasonal diseases, epidemics and pandemics besides threat to human safety and business disruption. As TCS has operations globally with employees distributed across numerous locations due to remote working, these sustainability related risks, if not managed properly, have the potential to impact delivery operations and safety of TCS stakeholders resulting in business disruption. **Market dimension and opportunity:** As TCS' customers respond to climate change actions, the company is seeing a transition in the customer's business models, thus creating new markets and new opportunities, creating new business avenues for TCS to partner with them in their climate change mitigation journey by leveraging its core competencies.	• An environmentally sustainable approach adopted by creating green policies, processes, frameworks and infrastructure. All TCS Centers globally continue to be certified under the ISO14001:2015 Environment Management Standard. • Designed and planned all delivery centers infrastructure to have minimum impact upon occurrence of any extreme weather events. Business Continuity plans tested periodically to ensure effectiveness in the event of disaster. Mass communication infrastructure to reach targeted set employees used effectively multiple times last year due to pandemic and extreme weather conditions. • Focus on Carbon footprint reduction, through energy efficiency, use of renewable energy, water management through rainwater harvesting, recycling and waste management. • Centralised IoT based Remote Energy Management System across TCS campuses, Roof Top Solar Power Plants in campuses. • Driving supply chain sustainability through responsible sourcing. • Year-round associate engagement on environmental awareness and sensitizing them towards nature and conservation of resources. **Market dimension and opportunity:** • Consumer behaviors are shaping how products and services are delivered and consumed. Low carbon strategies by consumers and hence increasing demand for more sustainable products and services, present an opportunity for the company. • TCS key solution areas revolve around designing sustainability strategy, sustainability innovation, sustainable consumer analytics and sustainable dashboards. Various TCS products and solutions facilitate alignment to the UN Sustainable Development Goals. TCS works closely with its customers in coming up with innovative solutions leveraging AI, ML, NLP, Cloud and DLT to manage the range of risks and opportunities climate change brings along.

Internal Financial Control Systems and their Adequacy

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

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

TCS management has assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2021.

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

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

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

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), TCS' audit committee has concluded that, as of March 31, 2021, the company's internal financial controls were adequate and operating effectively.

FY 2021 PERFORMANCE OVERVIEW: SOCIAL CAPITAL

A Purpose-Driven Approach

TCS' Corporate Social Responsibility (CSR)[24] commitment stems from the Company's core values and the Tata Group's ethos of improving the quality of life of local communities, while contributing to economic and social development. TCS' core belief of building greater futures for people and communities through innovation and collective knowledge is based on the values of fairness, equity and respect for human rights and guides how the Company conducts its business, treats its employees and supports local communities[25].

The company's vision is to empower communities by connecting people to opportunities in the digital economy and its mission is to build inclusive, equitable and sustainable pathways for all - especially youth, women and marginalized communities.

TCS has continued to empower communities globally through its strategic programs - by prioritizing education, skilling, employment and entrepreneurship with a focus to bridge the opportunity gap. TCS has also invested in basic health and wellness, water sanitation and hygiene, conservation and disaster relief efforts to support the most pressing needs of communities across the globe.

TCS' CSR programs have integrated inclusion within their design, ensuring that the company applies its resources towards communities and population segments that need it the most, and becomes the catalyst for equal access. In India, the company is aligned with the Government of India's Affirmative Action Policy and the Tata Group's Affirmative Action Program.

In FY 2021, TCS' global community initiatives reached more than 1.8 million beneficiaries.

TCS has leveraged its intellectual, technology expertise, and financial and human capital to create exponential impact across the globe. The company's engagement strategy utilizes its contextual knowledge and the knowledge from a diverse network of experts to develop innovative solutions to unique problems within the community. Its deep understanding of technology and its application helps to create a strong foundation for execution at scale. TCS' growing, highly skilled and diverse workforce serves as champions to build organic connects with the community while accelerating social impact. This novel approach ensures that the company invests in large-scale yet sustainable initiatives that create generational improvements.

Opportunities for employees to volunteer time include skills-based volunteering, pro bono support to community-based organization and social cause leadership. In FY 2021, more than 69,000 employees volunteered over 787,000 hours to support these initiatives.

An understanding of access darkness during the pandemic prompted bridgital and other innovative solutions and a recalibration of TCS programmes. The company has leveraged this opportunity to reimagine its programs through a digital-first approach and, in conjunction with its efforts to close the digital gap, to be able to reach people when and where they needed it most.

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[24] 103-2, 103-3

[25] TCS has been a signatory to the UN Global Compact (UNGC) since 2006 and is aligned with its ten principles. The Company supports the principles contained in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

Community Initiatives[26]

EDUCATION	
Adult Literacy program (ALP)	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES; 4 QUALITY EDUCATION; 1 NO POVERTY
Ignite My Future in School (IMFIS)	5 GENDER EQUALITY; 4 QUALITY EDUCATION

SKILLING	
GoIT	5 GENDER EQUALITY; 4 QUALITY EDUCATION

EMPLOYMENT	
Youth Employment Program	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES; 8 DECENT WORK AND ECONOMIC GROWTH

ENTREPRENEURSHIP	
BridgeIT	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES; 8 DECENT WORK AND ECONOMIC GROWTH
Digital Impact Square	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

[26] 413-1

THOUGHT LEADERSHIP, RESEARCH AND INSIGHTS	
Digital Empowers	11 SUSTAINABLE CITIES AND COMMUNITIES; 17 PARTNERSHIPS FOR THE GOALS; 10 REDUCED INEQUALITIES; 5 GENDER EQUALITY; 4 QUALITY EDUCATION; 2 ZERO HUNGER; 13 CLIMATE ACTION; 3 GOOD HEALTH AND WELL BEING
BASIC HEALTH AND WELLNESS	
Cancer Institute, Chennai	10 REDUCED INEQUALITIES; 3 GOOD HEALTH AND WELL BEING
Medical Center (TMC)	10 REDUCED INEQUALITIES; 3 GOOD HEALTH AND WELL BEING
Operation Smile	10 REDUCED INEQUALITIES; 3 GOOD HEALTH AND WELL BEING
Tata Trusts Migrant Resource Centers	10 REDUCED INEQUALITIES
WATER SANITATION AND HYGIENE	
Jal Jeevan Mission	10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 6 CLEAN WATER AND SANITATION

Pro-Bono Technology Support to Social Organisations	
Women's Business Collaborative	5 GENDER EQUALITY
Chief Executives for Corporate Purpose (CECP)	17 PARTNERSHIPS FOR THE GOALS
Charitable Recycling Australia	5 GENDER EQUALITY; 13 CLIMATE ACTION; 17 PARTNERSHIPS FOR THE GOALS

Education

India has ~258 million adult illiterates. Despite years of investments, illiteracy continues to persist as a core impediment stopping individuals from becoming productive and responsible members of their communities and contributing to the national economy. Over the last two decades, **TCS' Adult Literacy program** has not only helped create basic literacy for groups that are otherwise left behind, but has also empowered its female beneficiaries to become income generators and change agents within their own communities. Literacy empowerment has resulted in social and economic inclusion, as well as access to government benefits, insurance schemes, financial stability and, in some cases, financial independence.

TCS' proprietary Computer Based Functional Literacy (CBFL) solution continues to help people across India and in Africa achieve functional literacy (reading, writing, arithmetic) within 50 hours - 1/6th the time demanded by conventional learning methods. This year, TCS invested in efforts to broaden its scope to include financial and digital literacy modules, so that the program is elevated to integrate a path to enhanced livelihoods while creating relevance for its learners in the new digital world.

8,180 learners gained literacy skills this year. Till date the program has reached learners across 20 states and 162 districts in India and in Burkina Faso, Western Africa.

Downstream impact created by the program, till date, includes

- 81% of learners encouraged their own children, especially girls, to go to school.
- 75% reported that their self-esteem had increased as a result of being literate.
- 67% reported that they were now more participative in family decisions.

Like any other piece of drawstring, the measuring tape in Asha Devi's tailoring shop in a nondescript village of central India, hung uselessly for years. Despite her competence with the sewing machine, till the age of 45, Asha could never establish herself as a 'Tailor Master'. She could neither read nor write, and therefore she could not take down measurements to sew.

Asha Devi enrolled herself in the Adult Literacy Program (ALP) and over three months, achieved functional literacy. She now understands digits, expertly takes measurements and writes them down.

Literacy brought out the natural entrepreneur in her. Asha has now started a tailoring school at her house where she offers a two-month crash course. The school gives her an assured income, in addition to the monthly turnover in her tailoring shop.

"Now I'm not dependent on anyone. At the bank, I can do my own transactions. Earlier, I would have to take my daughter's help to fill out the forms and could only use my thumb print," she says.

Education has never been more important than in today's globally connected, knowledge-based economy. It is increasingly critical for students to master algorithmic thinking, problem-solving, collaboration and creativity, among several other skills that will set them up for success in this new world of work.

Teachers from a school in Bronx, New York receive guidance through an IMFIS module.

Computational thinking (CT) has emerged as a key skill-set empowering students with the strategies they need to thrive in any job or industry. **Ignite My Future in School (IMFIS)** has integrated CT skills within classrooms in 350 districts across US and in India, LATAM and UK.

While integrating a core yet novel skill set within classrooms, multi-layer engagement is critical. The program has integrated within its model support to key stakeholders within the learning ecosystem which includes students, parents, teachers and administrators and adopted an inclusive approach within its design so that no student gets left behind.

As educators grappled with virtual learning during the pandemic, IMFIS offered year-round support through its Learning Leader Ambassador Program working with 190 educators from schools across North America, UK and LATAM in addition to sharing distance learning activities that teachers of any subject, grade, or student population could immediately put into action.

In FY 2021, IMFIS empowered more than 600,000 students and educators. This year, the program was also launched in India, Wales, Mexico and Canada. The program surpassed its goal to reach 1 million K-12 students and 20,000 educators in the U.S. a full year ahead of the company's 2022 goal.

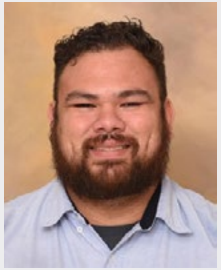
An integral element of the program is the Ignite Innovation Student Challenge, which encourages students to use computational thinking to create digital solutions that solve problems within their community and improve the world. The program has created innovation champions like Ryan H who was recognized as an "Orange County Hero" by the American Red Cross and received a grant from the Office of Naval Research to bring his low-cost wildfire detection idea to life – a much needed solution in a year that has seen multiple fires within the region.

In addition, Gitanjali R, winner of the 2019 challenge under the Health Pillar was named Time magazine's first ever 'Kid of the Year'.

Skilling

In today's Business 4.0™ world, where digital technologies are rapidly reshaping the ways in which enterprises do business, integrating new skill sets within a student's learning experience can play an extremely important role in democratizing access to opportunities.

This has been the unique outcome of **goIT,** TCS' student focused digital innovation program, which has introduced learners across the globe to STEM, computer science, design thinking and innovation. Students who have experienced goIT are empowered to create technology enabled human-centred solutions to problems within their ecosystems such as Local, an app to provide low-income families with fresh, locally sourced produce or Big Otry Fever, a platform to mitigate online bullying and negative commentary.



Diego Vela is a middle school teacher at Colegio Ingles Americano in Monterrey, Mexico. In his STEM lab and computer studies classes, he incorporates Ignite My Future's transdisciplinary lessons to empower his students to solve real world problems.

He says, *"The power of computational thinking lies in the fact that once you show students how to apply it to solve problems, they will naturally begin to apply those strategies from that moment forward. They will forever receive the benefits of using computational thinking to find solutions."* Diego is also a Learning Leader Ambassador who has shared his love of computational thinking and IMFIS resources with teachers in his school and at global events.

Through the program's global collaboration, he has connected his classes with other students from around the world to work together to solve global problems using computational thinking. *"We all speak one language,"* says Deigo. *"It is the language of education."*

The goIT Monthly Challenge provides a recurring opportunity for classrooms to directly engage with the UN Sustainable Development Goals (SDGs) and the much-needed virtual engagement for students who are remotely learning. It engages experts from across business and policy to set challenges on issues impacting TCS communities to spur digital innovation, creativity and generation of new ideas. This year, students across North America, UK and Australia worked on novel solutions to address sustainability challenges impacting communities everywhere.

It was Jennifer Smith's, EVP and CIO Zions Bancorporation, challenge on reducing inequalities (SDG goal 10) that spurred Nadine and Ivy from Canada to create winning solutions to address gender and ethnic inequalities.

Nadine's solution Female Force specifically targets gender inequality by creating a safe space for women to share their experiences and ideate on solutions. Nadine says, *"With Female Force I want to create a supportive virtual village in which women can empower each other."*

goIT helps students think, problem solve and design. Through a standardized and engaging curriculum, students are introduced to the innovation lifecycle, product prototyping and industry relevant entrepreneurial skills empowering them to become the digital innovators of tomorrow. 94% of the students have gone through the program indicated that they were excited about a career that utilizes digital technologies.

The pandemic demonstrated the critical role learning continuity played while highlighting the need to build strong support systems. In response, goIT transitioned to three models of delivery while keeping the core curriculum intact – volunteer driven engagements in-person or virtually, goIT Online ensuring seamless year-round connects with students and SDG focused monthly challenges that encouraged students to create solutions based on UN Sustainable Development Goals. These unique offerings enabled students to expand their creativity, connect with a myriad of industry mentors and develop sustainable solutions to problems faced by vulnerable communities across the globe.

In FY 2021, the program reached more than 54,000 beneficiaries and expanded to 33 countries.

Impact created by the program, till date, includes,

- 70% of students showed an increase in empathy.
- 80% of students showed higher order design thinking skills.
- 55% wanted to continue using technology to create solutions for the community.

Employment

Over the decade to 2030, India will need to create at least 90 million new jobs to absorb the 60 million new workers who will enter the workforce. In a similar vein, Latin America experiences the world's highest skills shortage in the formal economy, with four in ten organizations finding it difficult to get workers with the necessary skills.

As a result of the pandemic, digital fluency and a mastery of technology has become the default especially when ensuring access to future opportunities. Despite this, there still exists an acute lack of access to and understanding of digital technologies. Even today, youth from ethnic, socio-economic, and otherwise marginalized communities have limited or no access to develop market relevant skills that can set them up for success.

Last year TCS Singapore partnered with the Singaporean government to help graduates upskill and secure jobs during COVID last year, along with its usual hiring. In FY 2021, TCS Singapore announced plans to launch a Digital Acceleration

Centre (DAC), supported by the Singapore Economic Development Board (EDB), to support Singapore's businesses in their recovery and future-readiness. As part of this initiative, TCS' will provide up to 100 traineeship opportunities for local polytechnic and university graduates through Workforce Singapore's SGUnited Traineeships Programme. This programme consists of foundational, specialized, and hands-on training courses for intensive skill building through various formats including webinars, assessments, and hackathons.

TCS' Youth Employment programs, in India and LATAM, have supported skills development for undergraduate students and have provided a platform for first time employment in the private sector for many. These trainings have not only increased self-esteem, status and confidence but have also led to enhanced mobility, financial independence and generational growth.

Overall, engineering students experience business communication, general aptitude and technical skills over 196 hours while non-engineering students train in math, analytics, English and technology over 100 hours. Armed with cross-functional skills, these youth are then connected to employment opportunities across multiple sectors.

Over last year, TCS realised that in rural colleges where computer and internet access were limited, it was critical to evolve its program model so that students using smartphones with low bandwidth or even regular phones were able to connect to mentors and coaching sessions. The digital pivot meant mentors and TCS volunteers from every part of the country, even other parts of the world, could join in. The initial challenge of mobility became an opportunity to tap into a larger pool of volunteers, youth and mentors increasing one-on-one engagement and learning effectiveness.

In FY 2021, more than 15,000 students were trained in India and LATAM, and more than 800 students gained employment in sectors such as IT, BPS, retail, banking and several others. The impact created by the program, till date, includes,

- 1.5x enhancement in income in comparison to male employee in a rural area.
- 81% indicated that better jobs led to a change of role as earning member.
- 74% indicated an enhancement of status in the family and community.

Entrepreneurship

Access to high paying jobs and improved standards of living are often not available to youth from rural and marginalized areas. Additionally, lack of proper

During the last three semesters of his graduate program at the Government Engineering College of Kushalnagar, Rakshith joined the **TCS Youth Employment Program** for rural undergraduates, which he describes as a remarkable transformational journey.

Prior to this experience, his family's sole source of sustenance was their paddy field. After his training, Rakshith was recruited by a leading IT consulting company. Two years into employment, Rakshith has not only supported the needs of his family adequately but added to their savings, enabling them to purchase a coffee estate near their village.

At work, Rakshith has devoted himself to ensuring the same opportunities are made available to many others. Today, outside his working hours, he conducts at 10 aptitude sessions in every quarter with at least 40-60 students across 14 colleges attending each session.

"The program inspired me develop skills that helped me become a high skilled professional. It also played a significant role in making me more confident in my communications skills. I believe this program is a necessity for all rural students who are aspiring to achieve their goals with limited available resources." says Rakshith.

digital infrastructure, knowledge and resources in villages have prevented communities from accessing opportunities presented by the digital economy.

BridgeIT, is a youth entrepreneurship program that has played a pivotal role in enhancing access to new opportunities. The program enables economic growth to be more inclusive allowing rural entrepreneurship to become key enablers in overcoming discrimination and raising the standards of living of those in rural areas.

An intensive training infrastructure, access to digital tools and resources help youth participants to emerge as confident, savvy entrepreneurs that are empowered to offer digitally-enabled services that not only support their own financial independence, but also create a the much-needed connect for rural populations.

With access to digital within its core theory of change, the program also implements Computer Aided Learning (CAL) in Government schools and supports literacy for adults through Computer Based Functional Literacy (CBFL) modules.

Through FY 2021, the entrepreneurs have diversified the service lines delivered by them thereby enhancing their income and standard of living. These entrepreneurs are also slowly becoming an organic network of connects for the rural communities to access the abundance offered by a highly digitized world. Services such as banking, financial transactions, tele-health and tele-law, as well as access to government schemes like Ayushman Golden Cards and farmer support are, as a result, more easily accessible. Bapi from Odisha started his entrepreneurial journey in August 2020. In less than a year's time, Bapi's monthly income reached ₹ 130,000. Honappa from Karnataka has experienced a similar trajectory earning ₹ 146,000 last month after only 11 months of being an entrepreneur.

Another critical outcome has been the upward social mobility and respect for these entrepreneurs within their communities. For example, Zohming from Mizoram was elected as the Vice President of his village council after supporting multiple families through his services.

As of date, the program has 437 active digital entrepreneurs, providing digital services to an average of 200,000 beneficiaries every quarter. Till date, this robust network of entrepreneurs has support rural populations across 30 districts and 10 states in India.

Impact created by the program, till date, includes,

- 2x earnings for men in comparison to others self-employed in rural areas.
- ₹ 4 crore aggregate earnings of entrepreneurs
- 95% indicated increased income and improved standard of living.
- 92% women indicated higher self esteem at

The community in Ekta village of Bharatpur district in the central Indian state of Rajasthan today lauds the grit, toil and determination with which Laxmi steered her family - from economic distress to stability - as she took on the role of an entrepreneur and a digital service provider. At 18, Laxmi joined the BridgeIT program, training to use a computer while enhancing her communication and business skills. In parallel, she made time to complete her graduation.

After she acquired digital skills, Laxmi was provided two laptops to start her own business. *"I opened a shop at home offering services like e-Mitra, on-line form filling for issuing fresh ration cards, Aadhar cards, voter ID cards, pension withdrawal and anything else that needed to be enabled digitally,"* recalls Laxmi.

Laxmi visited each of the 5,000 households in her village to market her services. As the business flourished, her monthly income grew to ₹ 60,000. Today, Laxmi is a leading supporter at the local self-help group and has supported the community with their online documentation, so that they, in turn, can access the COVID-19 subsidies and relief schemes.

home.

A TCS Foundation Initiative, **Digital Impact Square (DISQ)**, an open social innovation center, has leveraged digital technologies to become an enabler for growth and transformation. The intervention has addressed challenges in health and hygiene, food security, housing and transportation, water, citizen empowerment and education among several other critical areas.

Digital Impact Square fosters a culture of innovation through a series of sustained innovation cycles. This, in turn, accelerates the journey for many young ideators to entrepreneurs and innovators. Overall, the program has supported 11 solutions in reaching self-sufficiency.

Thought Leadership, Research and Insights

In addition to leveraging emerging technologies to transform customers' businesses, TCS is also using them to transform society. TCS leverages its intellectual capital to create innovative solutions to societal challenges and the company does this by applying its contextual knowledge while engaging a high-profile and diverse network of leaders to harness expertise and amplify impact.

In collaboration with the World Economic Forum, TCS released *Closing the Skills Gap: Key Insights and Success Metrics* summarizing a 3-year collaboration that generated business commitments to skill 17.3 million people and includes case studies and lessons learned from 33 companies and 44 programs.

Digital Empowers

The purpose of Digital Empowers is to raise awareness on digital technologies and social issues, explore the art of what's possible, and foster cross sector partnerships. The program has primarily focused on convening four key expert groups from technology, business, non-profit, and public policy - to ideate, collaborate and create solutions for social impact leveraging emerging technologies.

Since inception in 2018, Digital Empowers has engaged with more than **2,500** experts from UK, Europe, US and Canada to expand the knowledge base, explore new solutions and collaborate to address the most pressing community issues - all of which have cross sections across the world. In an effort to further engage and leverage the innovative nature of the startup community, Digital Empowers launched **Pitch for Purpose** in 2020, for founders of U.S.-based early-stage tech ventures using their startup as a force for good. Symba's digital internships solution won funding and mentorship support from TCS.

In response to education interruptions caused by the COVID-19 pandemic TCS produced a *Global Insights Report* to provide recommendations to adapt to a changing education landscape.

Basic Health and Wellness

TCS has consistently leveraged its technology capabilities to execute large scale community impact programs enabling greater access to high quality healthcare facilities. TCS's Digital Nerve Centre is a unique and innovative care delivery model designed to connect, communicate, coordinate and deliver care by leveraging people, infrastructure and a robust digital platform. The primary healthcare transformations at Kolar has integrated all levels of public health facilities -from Sub centre, Primary Health Centre level to District Hospital level on a single platform to provide the right care through the right healthcare center.

TCS' technology support to **The Cancer Institute (CI) - Chennai and Tata Medical Center (TMC) – Kolkata** has opened new avenues of connection and real time communication enhancing efficiency and quality for care.

The **Tertiary Health Care Transformation at the Tata Medical Center (TMC) i**n Kolkata provided 100% coverage of patients via virtual engagements, including those that did not show and were not reachable. Patient care services implemented this year improved patient satisfaction and reduced anxiety.

A new clinical dashboard was rolled out this year to virtually support doctors by providing a holistic view of patient's clinical reports. To enhance operational efficiency, enhancements were made to the management system supporting laboratory services, billing and finance. All these enhancements ensure that patients not only benefit from modern affordable cancer therapy but also from the cost-effective models of care.

For **Operation Smile**, an organisation that has enabled thousands of safe surgeries for those born with cleft lip and cleft palate, TCS built a comprehensive Patient Management System to streamline a patient's journey.

TCS also supported Tata Trusts in their interventions for **migrant populations in Uttar Pradesh and Karanataka, India** through a holistic Beneficiary Management System (BMS) and a grievance management system. A mobile application for field mobilizers helped capture details and create sensitizations about Apna Seva Kendras and government schemes and benefits.

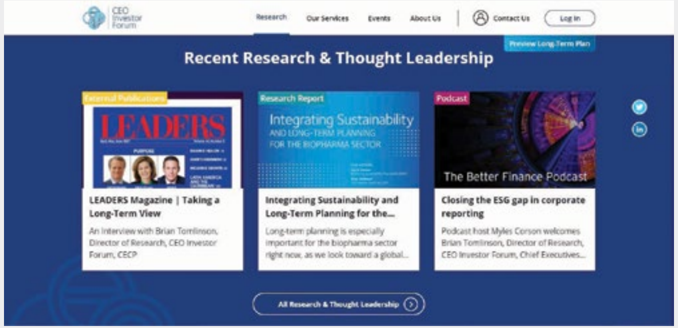
Water Sanitation and Hygiene

Jal Jeevan Mission, a project by the ministry of Jal Shakti, Government of India has been supported by the Tata Group with TCS providing key expertise in applying a 'Bridgital model' for monitoring rural water service delivery as well as enhanced stakeholder engagement via digitally enabled workflows. To date, interventions have led to the co-creation of a smart water management system to serve potable water to 20 crore rural households at the lowest cost, empowered the consumers to enhance their experience by enabling data driven operations through mobile apps, evangelized the State Governments to fast track the system roll out, capacity-built teams and enabled the adoption of a Utility Operations culture.

Through this year, the program has successfully piloted and demonstrated benefits from **'IoT based smart rural water management'** in 7 villages across 4 States. The project has also aided the government and technical taskforces in developing adequate standards, governance frameworks and rollout guidelines.

Pro-Bono Technology Support to Social Organisations

TCS' pro-bono technology support interventions continue to help community-based organizations across the globe. In FY 2021, the company supported social organizations like the **Women's Business Collaborative** focused on leveraging the power of collaboration to accelerate change for gender inclusion and **Chief Executives for Corporate Purpose (CECP)**, a CEO-led coalition to create social impact in North America with services valued over $2million.



Stakeholder capitalism and a purpose driven approach is becoming critical for companies as consumers and the society at large is expecting more from businesses. It is, therefore, important for companies to communicate more long-term, forward-looking information to key stakeholders. TCS' technology enabled solution for **Chief Executives for Corporate Purpose (CECP)** has digitally enabled long-term planning for more than 250 of its member companies.

The solution has supported over 30 CEOs on their journey to refocus investor expectations towards the long term and corporate sustainability.

"Through their pro bono services, TCS gave us, as a non-profit, access to expert developers who helped us design and implement a first-class platform. TCS worked hands-on as an extension of our team and fully embedded themselves in the development process from start to end as true thought partners."

In Australia, TCS provided pro bono technology empowerment to Australia and New Zealand based Meals on Wheels, Royal Hospital for Women, Food Ladder, Charitable Recycling Australia and Biocovid valued at A$1 million so they could continue to support people who depended on their services even during in the pandemic.

Employee Engagement

TCS community investments have been actualized, in a large part, by its large employee base who generously volunteer their time, skills and expertise as last-mile connectors. TCS' Employee Volunteer Program channeled the unique skillset of its employees and their ability to address some of the most pressing issues in countries where they live and work. In FY 2021, more than **69,000** employees volunteered over **787,000** hours to support these initiatives, contributing to Sustainable Development Goals 3, 4, 5, 8, 10, and 13.

As the pandemic driven global lockdowns were imposed, TCS developed virtual skills-based volunteering opportunities via a global catalogue for associates. Through the **Youth Employment Program**, volunteers in India delivered sessions for youth in Sweden, Germany, US and Australia.

Through TCS' collaboration with Katalyst, 33 volunteers mentored 53 girls from marginalized communities in India providing them the exposure to a new set of experiences and perspectives.

A Sakira Banu, IT Analyst, Chennai: *CSR Champion who changed the lives of 1300 people*

At the Oragadam Thiruvidanthai village in Tamil Nadu, access to water was a massive issue, with only one borewell for 46 families. The greatest impact was on women and their sanitation and hygiene. Sakira Banu, through her volunteering effort, was instrumental in constructing a motor-based borewell to create access to water for 160 people. Sarika also supported efforts to construct borewells in Sembakkam and Paloor Villages.

At the Hanumanthapuram Government School in Tamil Nadu, students had to bring water from their own homes rationing consumption to ensure they had access to clean drinking water through the school day. Leveraging her experience of constructing sustainable borewells, Sakira liaised with the Block Development Officer, obtained the necessary approvals, and the school got a 425 ft borewell and long-term access to water, leading to better sanitation and hygiene for the entire school.

In her role as a volunteer champion, Sakira has also led efforts to plant 100,000 palm seeds along the coast of Panaiyur village to mitigate excessive soil erosion.

Through **Lab on Bike**, implemented in association with Agastya International Foundation, associates volunteered to provide more than 600 students and teachers access to quality hands-on basic education designed to foster creative thinking, problem-solving and communication skills. Associates also conducted computers, English, science and Math lessons for 40 students of Ashram Vinay Mandir School.

Over 2,800 people from rural communities in Karnataka and Puduccherry were supported by TCS volunteers. Students were provided access to computer, internet, multimedia learning while employment-related mentorship was provided to the youth. Adults in the villages benefited from the healthcare advice and awareness programs.

TCSers in China helped set up a computer lab to facilitate remote education in a distant school in Gansu province. Employees who, typically, volunteered in person, spent time via video conferencing several times a week to teach students STEM subjects. TCSers in the US and Canada supported military veterans and youth from underserved communities through mock interviews and virtual career coaching, while those in India volunteered time to lead technical trainings through its youth employment programs.

Employees also supported disaster relief efforts to help those affected by typhoon Rolly and Ulysses by providing kits for communities affected by typhoon Ulysses and by raising funds.

Empowering Communities to Adapt and be Resilient to COVID19

As the unprecedented impact of the pandemic hit communities across the globe, TCS focused on building resilience. While the safety and well-being of its employees and ensuring support to its customers were key, it was equally important to continue the mission critical services that the company was performing around the world to help people transition into this new beginning. TCS contributed ₹ 250 crore to the PM Cares Fund to support vulnerable and marginalized populations in India.

TCS responded to this global community challenge with great agility, creating essential interventions including those that supported health and well-being, facilitated adaptation of education systems to virtual and remote learning and leveraged a purpose-driven approach to utilizing its technology and human capital to create solutions that address immediate needs of the local communities.

The pandemic pushed medical professionals into the front lines of the crisis. As a result, there was an increased need to develop and deliver resources that support physicians, nurses, care team members and their families. TCS provided more than 100,000 PPE to police and front-line workers and supported the building of isolation centers in Noida. The company also built capacity for 200 doctors across 22 hospitals, in collaboration with Tata Trusts and CMC Vellore Hospital and Care Institute of Health Sciences, supporting these essential workers at a time when the pandemic was at its peak.

2.5 million meals were distributed to 250,000 doctors and medical professionals in partnership with Indian Hotels Company Ltd. This helped ensure health and well-being as health professional worked around the clock. **TCS iON CoronaWarriors**, an online learning program, was specifically created for paramedical and professional healthcare workers on the fundamentals of infection prevention and control of COVID-19. This 6-hour course was designed and curated by healthcare experts at TCS and Harvard University to provide essential support during the peak of the pandemic.

For at risk populations such as those with cancer, TCS' support to Cancer Institute, Chennai ensured the activation of contact-less patient care coordination services for over 21,000 patients. Virtual consultation services implemented at the hospital proved to be immensely beneficial while the integration of a COVID assessment helped with early assessment and the delivery of appropriate care. At Tata Medical Center Kolkata, Clinicograph™ services enabled location independent access to review and analyze patient data to provide care during lockdowns.

TCS' Leaders with Purpose program provides professional development through hands-on civic leadership training to select champions committed to leveraging their skills to change the world. The 80-member cohort of 2021 is currently undergoing expert mentoring sessions and social projects to build socially conscious leaders within the company's workforce.

For many years, Anita served as a CSR Champion, helping organize and promote volunteer opportunities among associates in her account. In 2019, she enrolled for the program, motivated by a desire to help train and inspire the next generation of *"volunteers to spread the sense of purposefulness across the workforce."*

Through training in community engagement, Anita gained greater insight into the objectives and opportunities to scale impact through corporate social initiatives. After graduating from the program in the summer of 2020, Anita remains a true social leader and she is now leading a team of TCS associates in a pro bono effort benefitting an international disaster relief agency. She also serves on TCS' inaugural Go Red Advisory Committee to raise funds and awareness in the fight against heart disease, the global #1 cause of death.

The pandemic had the deepest impact on those who are most vulnerable, including people living in poverty, older people, those with disabilities, youth and minorities. TCS' support in providing food, pantry boxes and healthcare products for vulnerable communities in the U.S., Mexico and Chile ensured access to basic sustenance. At this time, it was also important that verified information is made available for those in rural and disconnected areas. TCS created content in 10 Indian languages focusing on physical and emotional well-being as well as guides to access government relief measures and other entitlements that were crucial to ensuring wellness of 450,000 people in India during the lockdowns.

Lending a Helping Hand

TCS family of more than 488,000 global employees shared TCS' commitment to support those that needed it the most – and TCS, in turn, supported

All it takes is one person to make a difference. Jigar Chadva, a delivery manager and a community champion, realized that he alone could be the start of a movement that would provide support and relief for so many impacted by the pandemic.

He, along with members of his team, took the lead to organize several activities in Bangalore to provide relief to marginalized sections and those below the poverty line, who are most impacted by the lockdown. Understanding the need for swift action, Jigar worked, for over 2 months, to collect and distribute 450 food packets from central government authorized kitchens for people in and around Whitefield area of Bangalore city.

Twenty families also received groceries and supplies worth ₹ 10,000. Organizations such as Chaitanya Kuteer, SOS Children's village and Vonisha Foundation received a total of 1,000 masks while non-profit Chaitanya Kuteer was also supported with grocery stock of 2 months for the wellbeing of the children who were under its care.

For his efforts, Jigar was recognized as a CORONA warrior – a special badge issued by the Government of India for those who had selflessly volunteered time in support of communities and to help others receive immediate relief.

"Thanks to you and your team of warriors for this generous gesture towards community well-being Since these areas are home to people who earn less than ₹ 30 a day, these masks are the much needed and timely protection against any new wave of the pandemic." - SOS Children's Villages of India, Bangalore

their incredible efforts and generosity during the pandemic. TCS matched 100% of employee donations, resulting in over ₹ 12 crore donated to global community organizations such as the PM CARES fund, Feeding America, Canadian Red Cross, Caritas Manila, Singapore People's Association and many others.

TCS associates volunteered time to create awareness e-communication materials in multiple easily accessible formats and translated these into four languages. As a result, over 18,000 beneficiaries in India had access to WHO guidelines on actions to adopt to ensure their safety during the pandemic.

Technology and innovation are the core strengths of TCS, and the company leveraged its expertise in both to overcome the challenges communities were facing during the pandemic. Resilience of social organizations was key if continuity to essential services had to be maintained. TCS delivered enhancements to its Beneficiary Management System (BMS), developed pro-bono for Tata Trust's migrant support interventions. Enhancements included features such as SMS and e-mail configurations key during the pandemic to create large scale connects for a population group that was most impacted by the disconnect.

When stay-at-home orders were rolled out across the U.S. to stop the spread, millions of Americans were left furloughed or laid-off, and without any certainty of when they would be back to work. States faced a tremendous challenge in disbursing unemployment benefits to a large pool of people, with state IT systems unable to keep pace. TCS stepped up to offer its technology and consulting services pro-bono to improve performance and capacity of benefits systems of New York State while enabling the processing of 140,000 unemployment claims during the lockdown. Also, see the story of how TCS developed a standalone system to help the State of Connecticut disburse pandemic unemployment assistance to gig workers and other independent contractors on Page 29 in this Report.

Bridging education gaps

Virtual learning became an essential service during the pandemic. Across the globe, there were over a billion students putting their varying degrees of digital skills to the test in an effort to keep themselves safe yet connected. At the same time, access to at-work skills remained a distant possibility for marginalized youth. Acknowledging this critical gap, TCS created support systems for learners of all ages, educators and parents to make a seamless transition to remote and online learning.

A digital pivot for TCS' strategic programs, Ignite My Future in School, goIT and Youth Employment, ensured that learning continued even if it could not take place in person. **TCS Cares** and **TCS Yoga**, designed to engage the company's global workforce, were also integrated into the program design of its employment programs in India to ensure much needed support to students in managing the negative impacts to their overall well-being during the pandemic.

TCS' proprietary iON Digital Glass Room was opened up for any educational institution across the globe to utilize free of cost for the entire academic year. Over 23,000 institutions leveraged the platform to support their educational needs. A 5-day self-paced digital certification program, **Career Edge**, was also specially designed and offered at no cost to university students and working professionals to enhance their digital skills during lockdowns.

Where access to virtual learning was disrupted, TCS' programs offered distant learning activities and addressed the digital divide through computer donations to underserved students in the U.K., Singapore, Netherlands and Hungary.

Rodney Crouse, a middle school teacher in North Carolina and TCS' Ignite My Future in School Learning Leader realized quickly this year that computational thinking strategies will help his students remain engaged during distance learning. By integrating the simple strategies that he learnt from the program, Rodney has found that students who were struggling to stay engaged were now taking an initiative.

Today, Rodney collaborates with educators from Mexico, Canada and the U.S. to help his students solve the global problem of Food Deserts. *"My kids are living in a food desert, so they are learning about where they live and how to solve a problem that affects their community. This project is relevant to all of their lives."*

While virtual learning facilitated continued education in a way that wouldn't have been possible a decade ago, at home education platforms were not without their own challenges. TCS created its **Edu VirtualAssist (EVA)** to support educators and parents struggling with common technical issues or just needing advice on how to get the most out of the virtual learning experience. EVA leveraged the expertise, skills and empathy of TCS' workforce to provide pro bono support to educators and parents across the globe.

Extending TCS' reach

One of the biggest challenges that impacted rural India during the pandemic was the lack of connectivity. The digital divide created an unprecedented lack of access to basic services rendering several marginalized groups at risk. Digital entrepreneurs of TCS' flagship BridgeIT program became the "bridge" to connect communities to critical services that had all gone virtual. New services within the CSC platform, such as tele-law and tele-health, were delivered via these entrepreneurs. They also provided access to emergency ambulance services and food for those below the poverty line in rural regions and distributed health materials, over 6,000 masks, food and protective equipment to over 200,000 households. From April to August, the months of highest impact these services supported more than 157,000 people across India. BridgeIT also leveraged its partner network to provide access to masks, food, and protective equipment to over 180,000 households in Raichur, Karnataka.

TCS' Youth Employment Program, additionally, expanded its reach during the pandemic to support training for marginalized populations in states such as Arunachal Pradesh, Himachal Pradesh, Haryana and Ladakh.

The company's work with social entrepreneurs who have scaled the solutions incubated by the Digital Impact Square, a TCS Foundation Initiative, served more than 3.8 Million people in India. Solutions like a vehicle e-pass system allowed essential and authorized services to work smoothly during the lockdown and MahaKavach, helped health authorities in tracking quarantined patients in Maharashtra, India in turn supporting the management of the spread of the disease in critical states.

Awards and Accolades for Social Capital

- Named as one of America's Most Community-Minded Information Technology Companies for the fourth consecutive year, and as Technology Sector Leader for the third year, in the Civic 50 by Points of Light, the world's largest organization dedicated to volunteer service.
- Recognized among Asia's Best Companies 2020 for Best Environmental Stewardship and Most Committed to Social Causes by FinanceAsia.
- Named the 2020 Corporate Citizen of the Year by Economic Times for demonstrating a deep commitment to society.
- Won the 2020 Stevie Gold Award for Best CSR Strategy in Canada.
- Awarded the 2020 CSR China Education Award by CSR China TOP 100 for its long-term commitment to STEM.
- Awarded by SHRM India for Excellence in Community Impact at the HR Excellence Awards 2020.
- Received an APEX award from Global Compact Network Singapore for Sustainable Solutions in recognition of TCS' Care Seniors Program in Singapore.
- Recognized for its work with Million Women Mentors at the 17th Annual Innovations in Diversity & Inclusion Awards.

FY 2021 PERFORMANCE OVERVIEW: NATURAL CAPITAL

TCS' approach to sustainable growth is built on the belief that it can strengthen its business while also valuing the environment and its ecosystem. TCS is in a unique position to combine its heritage of purpose along with digital leadership and innovation to drive its own journey to more sustainable outcomes, as well as partner with customers, civil society and governments to lead and shape solutions towards the achievement of the UN Sustainable Development Goals.

TCS' leadership commitment builds on the significant progress it has already made in reducing its environmental footprint. It is driven by the belief that business success and sustainability-driven decisions are one and the same thing for a future-fit business, and banks on the passion of its employees, shareholders, suppliers, and customers to support its progress on this journey. TCS is focused on harnessing its core business capabilities to lead and influence change with its primary stakeholders across four key areas:

- **Accelerating TCS' journey towards net zero**: Having achieved the previous target of halving the specific carbon footprint by 2020[27] (versus baseline year FY 2008) ahead of schedule, the Company has set a new carbon reduction target. It commits to reduce absolute Scope 1 + Scope 2 greenhouse gas emissions by 70% by 2025 over a 2016 base year. It aspires to achieve net-zero emissions by 2030. Key strategies include energy efficiency across operations, expanded use of renewable energy sources, working with supply chain partners to reduce value chain emissions and optimizing business air travel and employee commutes. The Company's Vision 25x25 is a strategic lever which will enable achieving this aspiration, along with carbon removal offsets. Further, the Company has identified two markets and two delivery centers where it will become carbon neutral before the close of FY 2022.

- **Influencing and enabling future generations:** TCS is one of the largest creators of skilled jobs globally. It encourages students to build the skills and confidence to pursue STEM education and careers and become tomorrow's technology and business leaders. It is committed to imparting digital skills and capabilities to at least 5 million youths by 2025. Another initiative to inspire and empower young minds to solve real-world environmental problems through digital technology was launched at TCS' first Sustainathon in Singapore in 2020. The challenge focused on solutions for food waste management which amplified the critical role that sustainability and success of the UN SDGs play in the creation of a better future.

- **Partnering with customers for more sustainable outcomes:** Beyond its own footprint, TCS is actively engaged with customers and partners to help shape and deliver their journey to more sustainable and future-fit businesses. It sees greater potential in enabling efficiencies and climate action through its digital solutions for customers, higher than what it can accomplish within its own organizational boundaries. TCS offers digital solutions that use cutting edge technologies for intelligent energy management that reduces energy consumption, evaluation of portfolio climate risks for decision making, GreenIT, logistics route optimization, scope 1, 2 & 3 carbon emission foot printing and enabling blockchain-based Renewable Energy Certificate marketplaces. In addition, it plans to partner with customers strategically to deliver carbon neutral operations together.

[27] In the past years, TCS has successfully reduced its specific energy consumption in kWh/FTE by over 60% in FY 2020 over the baseline year FY 2008, and brought down its specific carbon footprint from Scope 1 and Scope 2 from 3 tCO2/FTE in FY 2008 to 1.15 tCO2e/FTE in FY 2020, a reduction of 61.6%.

- **Empowering employees to lead the change:** To harness the energy of millennial employees who also have high levels of social and environmental awareness, TCS plans to involve them as part of incubation teams that rethink the business models and operations of today, and also increase their self-awareness of their role as change agents through awareness/training and action. The Company has launched programs to influence conscious choices as individuals and families, and facilitate measurement and monitoring of an individual's ecological footprint.

Key Focus Areas

The four key focus areas of the Company's environmental strategy are:

- **Energy management:** Energy efficiency through green infrastructure and operational efficiency
- **Carbon footprint reduction:** Maximizing energy efficiency and use of renewable energy
- **Water management:** Efficient use, recycling and rainwater harvesting
- **Waste management:** Reduction, Reuse and Recycling

TCS is certified under the ISO 14001:2015 Environmental Management System (EMS) standard, across 120 locations globally. The management system has integrated environmental (including climate change) risks and opportunities with TCS' business strategy. The company measures, manages and reports on energy, carbon, water and waste – the most material environmental aspects of its operations.

Impact of SWBS™

The company's environmental footprint was significantly reduced in FY 2021 due to the large-scale switch to remote working, enabled by the Secure Borderless Workspaces operating model. With over 96% of employees working from home throughout the year, resource consumption, emissions and wastes were significantly lower across all the parameters. However, despite the low occupancy rates of 3-4%, utilities across facilities had to be run at base load to ensure the overall health of the facility and systems. Moreover, the data centers supporting connectivity from home had to be operated as usual, and consumed the usual level of energy. Consequently, resource consumption reduced to the tune of 40% to 50% despite the low physical occupancy.

Low quantities of food waste were generated as canteens and food services were operating at a bare minimum. Air travel and employee commutes were extremely limited and hence the carbon footprint associated with them also reduced significantly.

Managing the Carbon Footprint[28]

TCS has embraced the precautionary principle and recognized carbon footprint mitigation and energy optimization as a high priority area[29]. With an operational footprint that consists largely of campuses of office blocks for the delivery organization, and sales offices, direct emissions from operations – also referred to as Scope 1 emissions – are a very small part of the company's carbon footprint, amounting to just 8% of the overall carbon footprint. The rest is made up of indirect emissions, referred to as Scope 2 emissions, associated with purchased electricity[30].

Due to the pandemic, all energy utilities had to be operated at base load for cooling and lighting systems, data centers and server rooms, to optimize the energy use. The absolute energy consumption is down by 46.6% YoY and absolute carbon footprint

[28] 103-2, 103-3

[29] 102-11; Earliest reference on Page 5, TCS Corporate Sustainability Report 2006-07

[30] 302-1, In FY 2021, TCS consumed 292 GWh of electricity of which 15.6% was from renewable sources, ~1% from onsite utilities and the remaining was purchased electricity. Total direct energy used was 0.04 Million GJ and total direct plus indirect energy used was 1.04 million GJ. The total electricity consumed, as well as direct energy usage, has gone down, due to lockdowns.

(Scope 1 + Scope 2)[31] is down by 48.8% YoY[32]. TCS' estimated[33] specific greenhouse gas emission (Scope 1 + Scope 2) was 0.54 tCO2e/ FTE/Annum in the current reporting year, a reduction of 53% Y-O-Y. The specific carbon footprint data is presented for the sake of continuity and is not comparable with the prior years.

The Path to Energy Efficiency[34]

Addition of more green buildings to the company's real estate portfolio, installing roof top solar power plants across campuses, optimizing IT system power usage, upgrading legacy equipment with state-of-the-art technology, and improving operational efficiency through the inhouse-built, IoT-based Remote Energy Management System has helped reduce the specific energy consumption year on year. This reduction has been despite the growth in employees, commissioning of new facilities and ramping up within existing facilities.

Over 60% of the total office space currently occupied by TCS in India is designed as per the Leadership in Energy and Environmental Design (LEED) green building standards. In FY 2021, the company added more rooftop solar, taking the total on-site roof top solar capacity across its campuses to 8.1 MWp. This increased the solar electricity generation capacity to 11 million units within campuses. The total renewable energy quantum including on-site rooftop and third-party power purchase agreements is about 45.5 million units in FY 2021, which is about 15.6% of the total energy mix. On-site rooftop solar contributed about 2.5% of the total electricity mix.

In FY 2021, solar photo voltaic cells technology was upgraded from polycrystalline solar panels to monocrystalline PERC technology panels. This helped to improve the project capacity and power generation by 13% and 17% respectively in the same given rooftop space. An elevated solar installation was successfully piloted around the lake area at Synergy park campus in Hyderabad to utilize the cooling effect of water on solar panels.

Data center power management initiatives helped achieve the target power utilization efficiency (PUE) of 1.65 at 21 Data Centers and reduce weighted average PUE of 23 Data Centers to 1.66 this year from 2.54 in 2014. An additional 44 Data centers were also taken up and the weighted average PUE of all DCs reduced to 1.77 this year from 2.4 in 2017. The key enablers have been green data center practices leveraging technologies like modular UPS, cold aisle containment, in-row cooling and rear door heat exchanger with water cooled rack. The rack per user ratio was also improved. There is a shift towards use of servers that enable high degree of virtualized hosting capability on smaller physical footprint and thus reduce the overall requirement for space, power and cooling.

As the established standard operating procedures were recalibrated on the basis of the base load for cooling and lighting systems, data centers and server rooms, to optimize energy use; the investments made in the IoT based energy management platform and the energy operations command center paid good dividends. The cognitive AI / ML based algorithms came into play and were able to quickly define a 'new normal' consumption profile based on the significantly reduced activities. With this, the energy analysts at the command center were able to get insights on possible areas of additional optimization during the COVID-19 period.

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[31] Scope 1 emissions have been calculated using the emissions factors published by the GHG (greenhouse) Protocol All Sector Tools version released in 2017. For Scope 2 emissions – that is, purchased electricity-related carbon emissions – for India, the source is the emissions factor in the CO2 Baseline Database for the Indian Power Sector, User Guide, Version 15.0, Dec 2019, published by the Central Electricity Authority of India. For Scope 2 emissions of locations other than India, IEA emission factors 2020 have been used.

[32] 305-1, 210,278 tCO2e in FY 2021 vs 410,971 tCO2e in FY 2020

[33] Based on actual carbon footprint and notional headcount associated with each center, assuming FTE growth in line with overall net headcount addition.

[34] 103-2, 103-3

Cooling and lighting were aligned, in a continuous manner, to the reduced operations demand. Base load requirements (UPS, cooling, etc) were analysed in the context of the new normal and optimized through initiatives such as consolidation of hub rooms, consolidation of workspaces within many of the operational facilities, and consolidation of facilities. Once the optimizations were achieved, the consumption at the appropriate levels of granularity were continuously monitored through automated alerts, to ensure that any consumption leakages were immediately identified and addressed. The company has saved ~0.4 million units of electricity through UPS and server rooms consolidation.

ISO 50001:2018 Energy Management System certification audits were successfully extended at four campuses in India in FY 2021, taking the total count of certified locations to five. Synergy Park - Hyderabad, TCS Center - Kochi, Garima Park - Ahmedabad and Siruseri - Chennai have been recommended for new certification and Sahayadri Park - Pune has been recommended for continuation of certification.

Other Emissions

Emissions of Ozone-depleting substances primarily occur during operation and maintenance of air conditioning systems in the form of system losses or fugitive emissions. TCS is committed to using zero-ozone depleting potential (ODP) refrigerants in its operations. New facilities have HVAC systems based on zero-ODP refrigerants as well as a low Global Warming Potential (GWP). All ODP refrigerant gases will be phased out and replaced with zero-ODP refrigerants, in line with country-specific timelines agreed to as per the Montreal Protocol and local regulations.

Value Chain Emissions

All other indirect emissions are accounted by TCS as Scope 3 emissions. These are also known as value chain emissions because they are caused by sources not owned or controlled by TCS but are relevant to its operations and in its value chain. The company estimates that value chain emissions amounted to 234,615 tCO2e, which is 0.50 tCO2e per FTE in FY 2021, by applying an expansive boundary and using standard Scope 3 emission factors.

Low occupancy in offices and significantly reduced business travel and employee commuting has resulted in a reduction in the Scope 3 emissions. The largest contributors in earlier reporting years, amounting to ~60%, were business travel intrinsic to the consultancy business model, and daily workplace commutes of employees. Both these categories saw a reduction of more than 95% in FY 2021. TCS' investment in superior communications, remote connectivity and data security to promote greater collaboration in the new normal has ensured seamless business communication despite constraints on in-person meetings and business discussions.

Water Conservation[35]

TCS optimizes water consumption through conservation, sewage treatment and reuse, and rainwater harvesting. All new campuses have been designed for 50% higher water efficiency, 100% treatment and recycling of sewage, and rainwater harvesting. Employee engagement also plays a big role in the company's water sustainability strategy.

In FY 2021, TCS consumed 1.4 million kL[36] of fresh water. Out of this, 73% was from municipal sources, 13% from third party suppliers, 8% from groundwater and 6% from rainwater harvested at the campuses. Absolute water consumption was 63.9% lower in FY 2021 as compared to FY 2020. The focus had been on restricting the use of water for maintenance and upkeep of the offices. On-campus sewage treatment plants were run at below capacity to ensure the sewage is treated and recycled. Total treated sewage recycled as a percentage of the total sewage generated was ~54% in FY 2021[37].

[35] 103-2, 103-3
[36] 303-3
[37] 306-1

The company continues to pursue groundwater replenishment initiatives through on-campus rainwater harvesting systems, and community water shed management projects. TCS continues to support initiatives on surface water body rejuvenation at Siruseri in Chennai, Kasalganga in Solapur and Malguzari ponds in Vidarbha.

Waste Reduction and Reuse

As an IT services and consulting organization, TCS' facilities mostly generate electronic, electrical, and municipal solid waste. Potentially hazardous and regulated wastes such as lead-acid batteries and waste lube oil are generated in relatively smaller proportions. The waste generation across all waste categories reduced due to the limited operations in FY 2021.

TCS is committed to sustain the best practices that have already been institutionalized like segregation of all recyclable wastes, 100% compliance to management practices for regulated wastes like hazardous and e-waste and 100% recycling on printer and toner cartridges, paper and packaging wastes. TCS aspires to improve the waste management practices and achieve 100% onsite treatment of food waste. The aim is to divert all garden waste to composting to generate organic manure. Elimination of single-use plastics across campuses and recycling of all recyclable plastic wastes remain as focus areas.

Biodegradable waste is treated onsite for biogas recovery or manure generation through bio-digesters or composting. All TCS campuses, owned offices and leased offices that have the required space have been provided with on-site food waste management facilities. In FY 2021, due to low quantities of waste generated, the waste management systems could not be operated optimally as they are designed for higher capacity. Small organic waste handling units were piloted for use across leased locations which are space constrained. Over 162 tons of compost were generated in FY 2021, reducing the need for chemical fertilizers and the resultant soil and groundwater pollution.

Employee Engagement

TCS observed the Tata Sustainability Month in June'20, featuring a fully digital campaign on the theme 'Time for Nature' consisting of multiple online contests, live sessions, webinars with eminent speakers on topics related to conservation and environment, and multiple blogs on TCS internal social media platform to sensitize associates and share knowledge on the topic. Over 9,000 employees participated in this campaign.

The year-round calendar for engaging with employees to create environmental awareness included themes aligned with the World Bio-diversity Day, World Environment Week, World Ozone Day, Green Consumer Day, World Wildlife Week, Pollution Control Day, Energy Conservation Day, World Water Day and the Earth Hour campaign.

The company's purpose-driven worldview inspires many employees to undertake volunteering in their local communities around environmental themes. This year, associates innovated and engaged in activities in their homes and neighborhood to keep up the spirit of care for environment. Employees grew plants and trees in and around their homes with their families. Some took up urban farming assisted by a phygital workshop on 'how to grow your own food'. Green consumerism through a stronger focus on 'buy local' saw traction among associates.

IFRS Financial Statements

Independent Auditors' Report

The Board of Directors
Tata Consultancy Services Limited

We have audited the accompanying consolidated financial statements of Tata Consultancy Services Limited and its subsidiaries, which comprise the consolidated statements of financial position as of March 31, 2021 and 2020, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financi al position of Tata Consultancy Services Limited and its subsidiaries as of March 31, 2021 and 2020, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

KPMG Assurance and Consulting Services LLP

Gurugram, India
April 12, 2021

Consolidated Statement of Financial Position

(In million of USD)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	9(a)	934	1,146
Bank deposits		308	107
Investments	9(b)	3,973	3,465
Trade receivables	9(c)	4,098	4,047
Unbilled receivables		897	760
Other financial assets	9(d)	1,781	1,347
Income tax assets (net)		3	1
Other assets	11(d)	1,532	1,090
Total current assets		**13,526**	**11,963**
Non-current assets			
Bank deposits		98	46
Investments	9(b)	29	29
Trade receivables	9(c)	8	10
Unbilled receivables		37	43
Other financial assets	9(d)	120	115
Income tax assets (net)		251	326
Deferred tax assets (net)		532	372
Property, plant and equipment	11(a)	1,653	1,583

(In million of USD)

	Note	As at March 31, 2021	As at March 31, 2020
Right-of-use assets	10	1,040	1,060
Goodwill	11(b)	538	510
Other intangible assets	11(c)	65	37
Other assets	11(d)	206	215
Total non-current assets		**4,577**	**4,346**
TOTAL ASSETS		**18,103**	**16,309**
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		1,071	894
Lease liabilities		176	168
Other financial liabilities	9(e)	838	809
Unearned and deferred revenue		497	386
Employee benefit obligations	16	476	364
Provisions	11(f)	189	39
Income tax liabilities (net)		850	492
Other liabilities	11(e)	554	435
Total current liabilities		**4,651**	**3,587**

Consolidated Statement of Financial Position

(In million of USD)

	Note	As at March 31, 2021	As at March 31, 2020
Non-current liabilities			
Lease liabilities		886	915
Other financial liabilities	9(e)	38	39
Unearned and deferred revenue		163	92
Employee benefit obligations	16	102	55
Deferred tax liabilities (net)		104	103
Total non-current liabilities		**1,293**	**1,204**
TOTAL LIABILITIES		**5,944**	**4,791**
Equity			
Share capital	9(j)	69	70
Retained earnings		15,144	15,034
Other equity		(3,148)	(3,671)
Equity attributable to shareholders of the Company		**12,065**	**11,433**
Non-controlling interests		94	85
TOTAL EQUITY		**12,159**	**11,518**
TOTAL LIABILITIES AND EQUITY		**18,103**	**16,309**

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(In million of USD, except shares and per share data)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	12	22,174	22,031
Cost of revenue		13,118	12,962
GROSS PROFIT		**9,056**	**9,069**
Operating expenses			
Selling, general and administrative expenses			
Provision towards legal claim	19	165	-
Others		3,315	3,655
Total selling, general and administrative expenses		**3,480**	**3,655**
Operating profit		**5,576**	**5,414**
Other income			
Finance and other income	14(a)	339	504
Finance costs	14(b)	(86)	(130)
Other gains (net)	14(c)	85	145
Other income (net)		**338**	**519**
PROFIT BEFORE TAXES		**5,914**	**5,933**
Income tax expense	15	1,513	1,377
PROFIT FOR THE YEAR		**4,401**	**4,556**

(In million of USD, except shares and per share data)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(10)	(47)
Net change in fair value of investments in equity shares carried at fair value through OCI		-	(3)
Items that will be reclassified subsequently to profit or loss			
Net change in fair value of investments other than equity shares carried at fair value through OCI		3	87
Net change in intrinsic value of derivatives designated as cash flow hedges		2	(13)
Net change in time value of derivatives designated as cash flow hedges		6	(6)
Exchange differences on translation of foreign operations and translation to presentation currency		387	(1,022)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES), NET OF TAX		**388**	**(1,004)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,789**	**3,552**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(In million of USD, except shares and per share data)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year attributable to:			
Shareholders of the Company		4,384	4,541
Non-controlling interests		17	15
		4,401	**4,556**
Other comprehensive income for the year attributable to:			
Shareholders of the Company		388	(1,003)
Non-controlling interests		-	(1)
		388	**(1,004)**
Total comprehensive income for the year attributable to:			
Shareholders of the Company		4,772	3,538
Non-controlling interests		17	14
		4,789	**3,552**
Earnings per share			
Weighted average number of equity shares		3,740,110,733	3,752,384,706
Basic and diluted earnings per share in USD	17	1.17	1.21

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

(In million of USD, except share data)

	Number of shares	Share capital	Retained earnings	Special Economic Zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve		Investment revaluation reserve	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
						Intrinsic value	Time value				
Balance as at April 1, 2019	**3,752,384,706**	**70**	**15,973**	**162**	**(2,979)**	**8**	**(10)**	**19**	**13,243**	**69**	**13,312**
Transition impact of IFRS 16, net of tax		-	(51)	-	-	-	-	-	(51)	(1)	(52)
Restated balance as at April 1, 2019	**3,752,384,706**	**70**	**15,922**	**162**	**(2,979)**	**8**	**(10)**	**19**	**13,192**	**68**	**13,260**
Profit for the year		-	4,541	-	-	-	-	-	4,541	15	4,556
Other comprehensive income / (losses)		-	(47)	-	(1,021)	(13)	(6)	84	(1,003)	(1)	(1,004)
Total comprehensive income / (losses)	**-**	**-**	**4,494**	**-**	**(1,021)**	**(13)**	**(6)**	**84**	**3,538**	**14**	**3,552**
Dividend (including tax on dividend of $806 million)		-	(5,284)	-	-	-	-	-	(5,284)	(10)	(5,294)
Impact on purchase of non-controlling interests		-	(13)	-	-	-	-	-	(13)	13	-
Transfer to Special Economic Zone re-investment reserve		-	(414)	414	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve		-	329	(329)	-	-	-	-	-	-	-
Balance as at March 31, 2020	**3,752,384,706**	**70**	**15,034**	**247**	**(4,000)**	**(5)**	**(16)**	**103**	**11,433**	**85**	**11,518**

Consolidated Statement of Changes in Equity

(In million of USD, except share data)

	Number of shares	Share capital	Retained earnings	Special Economic Zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve		Investment revaluation reserve	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
						Intrinsic value	Time value				
Balance as at April 1, 2020	**3,752,384,706**	**70**	**15,034**	**247**	**(4,000)**	**(5)**	**(16)**	**103**	**11,433**	**85**	**11,518**
Profit for the year		-	4,384	-	-	-	-	-	4,384	17	4,401
Other comprehensive income / (losses)		-	(10)	-	387	2	6	3	388	-	388
Total comprehensive income / (losses)	**-**	**-**	**4,374**	**-**	**387**	**2**	**6**	**3**	**4,772**	**17**	**4,789**
Dividend		-	(1,457)	-	-	-	-	-	(1,457)	(8)	(1,465)
Expenses for buy-back of equity shares[1]	-	-	(4)	-	-	-	-	-	(4)	-	(4)
Tax on buy-back of equity shares[1]		-	(506)	-	-	-	-	-	(506)	-	(506)
Buy-back of equity shares[1]	(53,333,333)	(1)	(2,172)	-	-	-	-	-	(2,173)	-	(2,173)
Transfer to Special Economic Zone re-investment reserve		-	(683)	683	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve		-	558	(558)	-	-	-	-	-	-	-
Balance as at March 31, 2021	**3,699,051,373**	**69**	**15,144**	**372**	**(3,613)**	**(3)**	**(10)**	**106**	**12,065**	**94**	**12,159**

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[1]Refer note 9(j).

Retained earnings include statutory reserve of $61 million and $57 million as at March 31, 2021 and 2020, respectively.

Total equity (primarily retained earnings) includes $186 million and $167 million as at March 31, 2021 and 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Consolidated Statement of Cash Flows

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	4,401	4,556
Adjustments to reconcile profit or loss to net cash provided by operating activities		
Depreciation and amortisation expense	549	495
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	27	20
Provision towards legal claim (Refer note 19)	165	-
Income tax expense	1,513	1,377
Net gain on lease modification	(14)	(2)
Unrealised foreign exchange gain	(3)	(16)
Net gain on disposal of property, plant and equipment	(2)	(7)
Net gain on investments	-	(1)
Operating profit before working capital changes	**6,636**	**6,422**
Net change in		
Trade receivables	170	(463)
Unbilled receivables	(27)	(71)
Other financial assets	28	23
Other assets	(378)	(490)
Trade payables	(13)	63
Unearned and deferred revenue	147	53
Other financial liabilities	17	170
Other liabilities and provisions	204	84
Cash generated from operations	**6,784**	**5,791**
Taxes paid (net of refunds)	(1,228)	(821)
Net cash generated from operating activities	**5,556**	**4,970**

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(890)	(1,079)
Inter-corporate deposits placed	(2,841)	(2,106)
Purchase of investments*	(7,342)	(11,297)
Payment for purchase of property, plant and equipment	(368)	(352)
Payment including advances for acquiring right-of-use assets	(14)	(74)
Payment for purchase of intangible assets	(48)	(27)
Proceeds from bank deposits	648	1,676
Proceeds from inter-corporate deposits	2,427	2,023
Proceeds from disposal / redemption of investments*	6,968	11,840
Proceeds from disposal of property, plant and equipment	5	23
Net cash generated from / (used in) investing activities	**(1,455)**	**627**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(180)	(149)
Dividend paid (including tax on dividend in previous year)	(1,457)	(5,284)
Dividend paid to non-controlling interests (including tax on dividend in previous year)	(8)	(10)
Purchase of non-controlling interests	-	(33)
Transfer of funds to buy-back escrow account	(21)	-

Consolidated Statement of Cash Flows

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Transfer of funds from buy-back escrow account	22	-
Expenses for buy-back of equity shares (Refer note 9(j))	(4)	-
Tax on buy-back of equity shares (Refer note 9(j))	(510)	-
Buy-back of equity shares (Refer note 9(j))	(2,192)	-
Net cash used in financing activities	**(4,350)**	**(5,476)**
Net change in cash and cash equivalents	**(249)**	**121**
Cash and cash equivalents at the beginning of the year	1,146	1,045
Exchange difference on translation of foreign currency cash and cash equivalents	37	(20)
Cash and cash equivalents at the end of the year (Refer note 9(a))	**934**	**1,146**
Supplementary cash flow information		
Interest paid	86	130
Interest received	368	526
Dividend received	1	1

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Purchase of investments include $24 million and $73 million for the years ended March 31, 2021 and 2020, respectively, and proceeds from disposal / redemption of investments include $14 million and $78 million for the years ended March 31, 2021 and 2020, respectively, held by trusts and TCS Foundation held for specified purposes.

1) Corporate information

Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively together with employee welfare trusts referred to as "the Group") provide IT services, consulting and business solutions and have been partnering with many of the world's largest businesses in their transformation journeys. The Group offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai 400001. As at March 31, 2021, Tata Sons Private Limited, the holding company owned 72.16% of the Company's equity share capital.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2021 and authorised for issue on April 12, 2021.

2) Statement of compliance

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

3) Basis of preparation

These consolidated financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Group classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the consolidated financial statements have been discussed in the respective notes.

4) Basis of consolidation

The Company consolidates all entities which are controlled by it.

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

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

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the dates of statement of financial position. Statement of profit or loss and other comprehensive income of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal.

These consolidated financial statements are presented in US Dollars ($) to facilitate the investors' ability to evaluate the Group's performance and financial position in comparison to similar companies domiciled in different foreign jurisdictions.

5) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented.

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

The Group uses the following critical accounting estimates in preparation of its consolidated financial statements:

a. **Revenue recognition**

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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

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

c. **Impairment of goodwill**

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

d. **Fair value measurement of financial instruments**

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

e. **Provision for income tax and deferred tax assets**

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

f. **Provisions and contingent liabilities**

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

g. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions have been explained under employee benefits note.

h. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

i. Impact of COVID-19 (pandemic)

The Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

6) Nature and purpose of reserves

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Group as on the date of statement of financial position.

b. Special Economic Zone re-investment reserve

The Special Economic Zone (SEZ) re-investment reserve is created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961 of India. The reserve will be utilised by the Group for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961 of India.

c. Foreign currency translation reserve

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

d. Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to profit or loss in the period in which the underlying hedged transaction occurs.

e. Investment revaluation reserve

This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments on the date of statement of financial position measured at fair value through other comprehensive income. The reserves accumulated will be reclassified to retained earnings and profit or loss respectively, when such instruments are disposed.

7) Recent accounting standards

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

Amendments to IFRS 16	Leases – COVID-19-Related Rent Concessions[1]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2[2]
Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[3]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[3]
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework[3]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[3]
Amendments to IAS 1	Classification of Liabilities[4]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[4]
Amendments to IAS 8	Definition of Accounting Estimates[4]

[1]Effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at May 28, 2020. The amendment was also available for interim reports.
[2]Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.
[3]Effective for annual periods beginning on or after January 1, 2022.
[4]Effective for annual periods beginning on or after January 1, 2023.

IFRS 16 – COVID-19-Related Rent Concessions

In May 2020, International Accounting Standards Board (IASB) issued COVID-19-Related Rent Concessions, which provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. It requires lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications. Lessees need to disclose that fact and need to apply the exemption retrospectively in accordance with IAS 8, but they do not require to restate prior period numbers. The practical expedient was available only for lease payments originally due upto June 2021. The Group has applied the amendment effective April 1, 2020. The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated, IASB has therefore extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

Interest Rate Benchmark Reform – Phase 2

In August 2020, IASB published 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting. The Group is studying the amendments in order to evaluate the impact on its financial statements, if any.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Group does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Group does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

8) Business combinations

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

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

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

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

9) Financial assets, financial liabilities and equity instruments

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

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Derivative accounting

- **Instruments in hedging relationship**

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

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

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

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow 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 the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified in profit or loss when the related hedged items affect profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in profit or loss when the forecasted transaction ultimately affects profit or loss. Any gain or loss is recognised immediately in profit or loss when the hedge becomes ineffective.

- **Instruments not in hedging relationship**

  The Group enters into contracts that are effective as hedges from an economic perspective but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in profit or loss.

Impairment of financial assets (other than at fair value)

The Group assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(a) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Cash at banks and in hand	718	1,092
Bank deposits (original maturity less than three months)	216	54
Total	**934**	**1,146**
Held within India	58	51
Held outside India	876	1,095
Total	**934**	**1,146**

(b) Investments

Investments consist of the following:

Investments – Current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Investments carried at fair value through profit or loss		
Mutual fund units	668	224
	668	**224**
Investments carried at fair value through OCI		
Government bonds and securities	3,226	3,220
Corporate bonds	61	18
	3,287	**3,238**

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Investments carried at amortised cost		
Corporate bonds	-	3
Commercial papers	18	-
	18	**3**
Total	**3,973**	**3,465**

Investment – Current includes $23 million and $12 million as at March 31, 2021 and 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Government bonds and securities includes bonds pledged with bank for credit facility amounting to $225 million and NIL as at March 31, 2021 and 2020, respectively.

Investments – Non-current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Investments designated at fair value through OCI		
Equity shares	5	6
	5	**6**
Investments carried at amortised cost		
Government bonds and securities	23	22
Corporate bonds	1	1
	24	**23**
Total	**29**	**29**

Investment – Non-current includes $23 million and $23 million as at March 31, 2021 and 2020, respectively, pertaining to trusts held for specified purposes.

The movement in fair value of investments carried / designated at fair value through OCI is as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**103**	**19**
Net loss arising on revaluation of investments in equities carried at fair value through other comprehensive income	-	(3)
Net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	4	136
Deferred tax relating to net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(1)	(48)
Net cumulative gain reclassified to profit or loss on sale of investments other than equities carried at fair value through other comprehensive income	-	(2)
Deferred tax relating to net cumulative gain reclassified to profit or loss on sale of investments other than equities carried at fair value through other comprehensive income	-	1
Balance at the end of the year	**106**	**103**

(c) Trade receivables

Trade receivables consist of the following:

Trade receivables – Current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	4,174	4,121
Less: Allowance for doubtful trade receivables	(76)	(74)
Total	**4,098**	**4,047**

Trade receivables – Non-current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	107	87
Less: Allowance for doubtful trade receivables	(99)	(77)
Total	**8**	**10**

(d) Other financial assets

Other financial assets consist of the following:

Other financial assets – Current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Interest receivable	84	99
Employee loans and advances	33	40
Fair value of foreign exchange derivative assets	67	57
Inter-corporate deposits	1,530	1,083
Security deposits	23	23
Earmarked balances with banks	28	29
Others	16	16
Total	**1,781**	**1,347**

Other financial assets – Non-current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Inter-corporate deposits	4	4
Security deposits	114	109
Others	2	2
Total	**120**	**115**

Earmarked balances with banks primarily relate to margin money for purchase of investments, margin money for derivative contracts and unclaimed dividends.

Inter-corporate deposits placed with financial institutions yield fixed interest rate. Inter-corporate deposits include $130 million and $123 million as at March 31, 2021 and 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Interest receivable includes $5 million and $6 million as at March 31, 2021 and 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(e) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Capital creditors	54	67
Fair value of foreign exchange derivative liabilities	13	92
Liabilities towards customer contracts	125	107
Accrued payroll	611	518
Unclaimed dividends	7	7
Others	28	18
Total	**838**	**809**

Other financial liabilities – Non-current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Others	38	39
Total	**38**	**39**

Others include advance taxes paid of $31 million and $30 million as at March 31, 2021 and 2020, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities, is payable to the seller.

(f) Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(In million of USD)

	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	-	-	-	-	934	934
Bank deposits	-	-	-	-	406	406
Trade receivables	-	-	-	-	4,106	4,106
Investments	668	3,292	-	-	42	4,002
Unbilled receivables	-	-	-	-	934	934
Earmarked balances with banks	-	-	-	-	28	28
Other financial assets	-	-	22	45	1,806	1,873
Total	**668**	**3,292**	**22**	**45**	**8,256**	**12,283**
Financial liabilities						
Trade payables	-	-	-	-	1,071	1,071
Lease liabilities	-	-	-	-	1,062	1,062
Other financial liabilities	-	-	-	13	863	876
Total	**-**	**-**	**-**	**13**	**2,996**	**3,009**

Other financial assets include inter-corporate deposits of $1,534 million, with original maturity period within 36 months.

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

(In million of USD)

	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	-	-	-	-	1,146	1,146
Bank deposits	-	-	-	-	153	153
Trade receivables	-	-	-	-	4,057	4,057
Investments	224	3,244	-	-	26	3,494
Unbilled receivables	-	-	-	-	803	803
Earmarked balances with banks	-	-	-	-	29	29
Other financial assets	-	-	20	37	1,376	1,433
Total	**224**	**3,244**	**20**	**37**	**7,590**	**11,115**
Financial liabilities						
Trade payables	-	-	-	-	894	894
Lease liabilities	-	-	-	-	1,083	1,083
Other financial liabilities	-	-	5	87	756	848
Total	**-**	**-**	**5**	**87**	**2,733**	**2,825**

Other financial assets include inter-corporate deposits of $1,087 million, with original maturity period within 36 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at March 31, 2021 and 2020 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is $46 million and $29 million as at March 31, 2021 and 2020, respectively.

(g) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

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

(In million of USD)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	660	-	8	668
Equity shares	-	-	5	5
Government bonds and securities	3,253	-	-	3,253
Corporate bonds	62	-	-	62
Commercial papers	18	-	-	18
Fair value of foreign exchange derivative assets	-	67	-	67
Total	**3,993**	**67**	**13**	**4,073**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	13	-	13
Total	**-**	**13**	**-**	**13**

(In million of USD)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	224	-	-	224
Equity shares	-	-	6	6
Government bonds and securities	3,245	-	-	3,245
Corporate bonds	22	-	-	22
Fair value of foreign exchange derivative assets	-	57	-	57
Total	**3,491**	**57**	**6**	**3,554**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	92	-	92
Total	**-**	**92**	**-**	**92**

Reconciliation of Level 3 fair value measurement of financial assets is as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**6**	**9**
Additions during the year	7	-
Impairment in value of investments	-	(3)
Balance at the end of the year	**13**	**6**

Reconciliation of Level 3 fair value measurement of financial liabilities is as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**-**	**32**
Repayment during the year	-	(33)
Translation exchange difference	-	1
Balance at the end of the year	**-**	**-**

(h) Derivative financial instruments and hedging activity

The Group's revenue is denominated in various foreign currencies. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Group to currency fluctuations.

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

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

Foreign currency	As at March 31, 2021			As at March 31, 2020		
	No. of contracts	Notional amount of contracts (In million)	Fair value(In million of USD)	No. of contracts	Notional amount of contracts (In million)	Fair value(In million of USD)
US Dollar	63	1,615	7	55	1,420	3
Great Britain Pound	64	330	2	71	384	8
Euro	60	346	11	38	363	(4)
Australian Dollar	38	206	2	26	192	6
Canadian Dollar	23	114	-	19	104	2

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

(In million of USD)

	Year ended March 31, 2021		Year ended March 31, 2020	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	**(5)**	**(16)**	**8**	**(10)**
(Gain) / Loss transferred to profit or loss on occurrence of forecasted hedge transactions	(47)	71	(64)	71
Deferred tax on (gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions	11	(17)	7	(5)
Change in the fair value of effective portion of cash flow hedges	49	(63)	51	(81)
Deferred tax on fair value of effective portion of cash flow hedges	(11)	15	(7)	9
Balance at the end of the year	**(3)**	**(10)**	**(5)**	**(16)**

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2021 and 2020, the notional amount of outstanding contracts aggregated to $5,124 million and $5,342 million, respectively and the respective fair value of these contracts have a net gain of $32 million and a net loss of $50 million.

Exchange gain of $66 million and loss of $61 million on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in profit or loss for the years ended March 31, 2021 and 2020, respectively.

Net foreign exchange gains include loss of $24 million and $7 million transferred from cash flow hedging reserve for the years ended March 31, 2021 and 2020, respectively.

Net gain on derivative instruments of $4 million, recognised in accumulated other comprehensive income as at March 31, 2021, is expected to be transferred to profit or loss by March 31, 2022. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2021.

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

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
10% Appreciation of the underlying foreign currencies	(42)	(54)
10% Depreciation of the underlying foreign currencies	260	167

(i) Financial risk management

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

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The 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 at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note 9(h).

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2021:

(In million of USD)

	USD	EUR	GBP	Others
Net financial assets	435	21	14	154
Net financial liabilities	(6)	(78)	(48)	(56)

10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately $44 million for the year ended March 31, 2021.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2020:

(In million of USD)

	USD	EUR	GBP	Others
Net financial assets	284	32	11	151
Net financial liabilities	(432)	(43)	(21)	(33)

10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately $5 million for the year ended March 31, 2020.

- **Interest rate risk**

  The Group's investments are primarily in fixed rate interest bearing investments. Hence, the Group is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of $1,534 million are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of $354 million held with two Indian banks having high credit rating which are individually in excess of 10% or more of the Group's total bank deposits as at March 31, 2021. None of the other financial instruments of the Group result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was $12,834 million and $11,704 million as at March 31, 2021 and 2020, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, unbilled receivables, contract assets and other financial assets.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at March 31, 2021 and 2020.

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances), unbilled receivables and contract assets is as follows:

	As at March 31, 2021		As at March 31, 2020	
	Gross%	Net%	Gross%	Net%
United States of America	41.08	41.83	44.94	45.66
United Kingdom	16.37	16.75	14.74	15.02
India	20.31	18.79	11.56	10.01

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2021 and 2020 was $26 million and $19 million respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**151**	**147**
Changes during the year	26	19
Bad debts written off	(5)	(6)
Translation exchange difference	3	(9)
Balance at the end of the year	**175**	**151**

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

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

(In million of USD)

March 31, 2021	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	1,071	-	-	-	1,071
Lease liabilities	237	218	453	478	1,386
Other financial liabilities	825	7	31	-	863
	2,133	**225**	**484**	**478**	**3,320**
Derivative financial liabilities	13	-	-	-	13
Total	**2,146**	**225**	**484**	**478**	**3,333**

(In million of USD)

March 31, 2020	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	894	-	-	-	894
Lease liabilities	228	201	466	535	1,430
Other financial liabilities	717	2	37	-	756
	1,839	**203**	**503**	**535**	**3,080**
Derivative financial liabilities	92	-	-	-	92
Total	**1,931**	**203**	**503**	**535**	**3,172**

(j) Equity instruments

The authorised, issued, subscribed and fully paid up share capital consist of the following:

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Authorised		
Equity shares of ₹ 1 each (4,600,500,000 shares and 4,600,500,000 shares)	86	86
Preference shares of ₹ 1 each (1,050,250,000 shares and 1,050,250,000 shares)	20	20
	106	**106**
Issued, Subscribed and Fully paid up		
Opening balance of equity shares of ₹ 1 each (3,752,384,706 shares and 3,752,384,706 shares)	70	70
Equity shares of ₹ 1 each extinguished on buy-back (53,333,333 shares and NIL shares)	(1)	-
Total	**69**	**70**

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.

The Board of Directors at its meeting held on October 7, 2020, approved a proposal to buy-back upto 53,333,333 equity shares of the Company for an aggregate amount not exceeding ₹ 16,000 crore (USD equivalent $2,180 million), being 1.42% of the total paid up equity share capital at ₹ 3,000 (USD equivalent $40.87) per equity share. The shareholders approved the same on November 18, 2020, by way of a special resolution through postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 53,333,333 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on January 6, 2021.

10) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Group recognises right-of-use asset representing its right-to-use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in profit or loss.

The Group has elected not to apply the requirements of IFRS 16 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 Revenue from contracts with customers to allocate the consideration in the contract.

The details of the right-of-use assets held by the Group is as follows:

(In million of USD)

	Additions for year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold land	-	93
Buildings	166	921
Leasehold improvements	1	4
Computer equipment	14	14
Furniture, fixtures, office equipment and other assets	4	5
Software licences	3	3
Total	**188**	**1,040**

(In million of USD)

	Additions for year ended March 31, 2020	Net carrying amount as at March 31, 2020
Leasehold land	65	92
Buildings	336	956
Leasehold improvements	2	6
Computer equipment	1	2
Furniture, fixtures, office equipment and other assets	2	4
Total	**406**	**1,060**

Depreciation on right-of-use assets is as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Leasehold land	1	1
Buildings	196	172
Leasehold improvements	1	1

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Computer equipment	2	2
Furniture, fixtures, office equipment and other assets	2	2
Total	**202**	**178**

Interest on lease liabilities is $71 million and $69 million for the years ended on March 31, 2021 and 2020, respectively.

The Group incurred $48 million and $55 million for the years ended March 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is $313 million and $347 million for the years ended March 31, 2021 and 2020, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Group has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is $97 million and $61 million as at March 31, 2021 and 2020, respectively.

Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

11) Non-financial assets and liabilities

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Buildings	20 years
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Property, plant and equipment consist of the following:

(In million of USD)

	Freehold land	Buildings	Leasehold improvements	Computer equipment	Furniture and fixtures office equipment and other assets	Total
Cost as at April 1, 2020	**46**	**1,023**	**320**	**1,165**	**949**	**3,503**
Additions	1	10	19	277	41	348
Disposals	-	(1)	(10)	(24)	(24)	(59)
Translation exchange difference	1	28	10	44	29	112
Cost as at March 31, 2021	**48**	**1,060**	**339**	**1,462**	**995**	**3,904**
Accumulated depreciation as at April 1, 2020	**-**	**(339)**	**(190)**	**(853)**	**(672)**	**(2,054)**
Depreciation	-	(53)	(27)	(169)	(77)	(326)
Disposals	-	1	9	23	23	56
Translation exchange difference	-	(10)	(6)	(31)	(21)	(68)
Accumulated depreciation as at March 31, 2021	**-**	**(401)**	**(214)**	**(1,030)**	**(747)**	**(2,392)**
Net carrying amount as at March 31, 2021	**48**	**659**	**125**	**432**	**248**	**1,512**
Capital work-in-progress*						141
Total						**1,653**

*$348 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021..

(In million of USD)

	Freehold land	Buildings	Leasehold improvements	Computer equipment	Furniture and fixtures office equipment and other assets	Total
Cost as at April 1, 2019	**50**	**1,074**	**345**	**1,112**	**964**	**3,545**
Transition impact of IFRS 16	-	-	(15)	(19)	(1)	(35)
Restated cost as at April 1, 2019	**50**	**1,074**	**330**	**1,093**	**963**	**3,510**
Additions	-	40	42	227	90	399
Disposals	-	(1)	(26)	(53)	(23)	(103)
Translation exchange difference	(4)	(90)	(26)	(102)	(81)	(303)
Cost as at March 31, 2020	**46**	**1,023**	**320**	**1,165**	**949**	**3,503**
Accumulated depreciation as at April 1, 2019	**-**	**(316)**	**(201)**	**(857)**	**(667)**	**(2,041)**
Transition impact of IFRS 16	-	-	9	18	1	28
Restated accumulated depreciation as at April 1, 2019	**-**	**(316)**	**(192)**	**(839)**	**(666)**	**(2,013)**
Depreciation	-	(53)	(27)	(140)	(85)	(305)
Disposals	-	1	14	50	22	87
Translation exchange difference	-	29	15	76	57	177
Accumulated depreciation as at March 31, 2020	**-**	**(339)**	**(190)**	**(853)**	**(672)**	**(2,054)**
Net carrying amount as at March 31, 2020	**46**	**684**	**130**	**312**	**277**	**1,449**
Capital work-in-progress*						134
Total						**1,583**

*$399 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2020.

b. Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill consists of the following:

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**510**	**555**
Translation exchange difference	28	(45)
Balance at the end of the year	**538**	**510**

Goodwill of $292 million and $284 million as at March 31, 2021 and 2020 has been allocated to TCS business process services (BPS) CGU.

The Group estimated the value-in-use of TCS BPS based on future cash flows of this CGU using a 5.00% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 15.00%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Goodwill of $90 million and $84 million as at March 31, 2021 and 2020 has been allocated to the TCS business in France. The estimated value-in-use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 9.30%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of $156 million and $142 million as at March 31, 2021 and 2020, respectively, (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

c. Other intangible assets

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

Intangible assets consist of rights under licensing agreement and software licences and customer-related intangibles.

Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licences	Lower of licence period and 2-5 years
Customer-related intangibles	3 years

Intangible assets are amortised on a straight-line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Intangible assets consist of the following:

(In million of USD)

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
Cost as at April 1, 2020	**59**	**17**	**76**
Additions	48	-	48
Disposals / Derecognised	(9)	-	(9)
Translation exchange difference	2	1	3
Cost as at March 31, 2021	**100**	**18**	**118**
Accumulated amortisation as at April 1, 2020	**(24)**	**(15)**	**(39)**
Amortisation	(20)	(1)	(21)
Disposals / Derecognised	9	-	9
Translation exchange difference	(1)	(1)	(2)
Accumulated amortisation as at March 31, 2021	**(36)**	**(17)**	**(53)**
Net carrying amount as at March 31, 2021	**64**	**1**	**65**

(In million of USD)

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
Cost as at April 1, 2019	**37**	**18**	**55**
Additions	27	-	27
Translation exchange difference	(5)	(1)	(6)
Cost as at March 31, 2020	**59**	**17**	**76**
Accumulated amortisation as at April 1, 2019	**(14)**	**(15)**	**(29)**
Amortisation	(11)	(1)	(12)
Translation exchange difference	1	1	2
Accumulated amortisation as at March 31, 2020	**(24)**	**(15)**	**(39)**
Net carrying amount as at March 31, 2020	**35**	**2**	**37**

Function wise amortisation of intangible assets is as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Cost of revenue	18	10
Selling, general and administrative expenses	3	2
Total	**21**	**12**

The estimated amortisation for the years subsequent to March 31, 2021 is as follows:

(In million of USD)

Year ending March 31,	Amortisation expense
2022	27
2023	21
2024	13
2025	4
Thereafter	-
Total	**65**

(d) Other assets

Other assets consist of the following:

Other assets – Current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Advances to suppliers	22	19
Indirect taxes recoverable	203	182
Prepaid expenses	634	199
Prepaid rent	4	2
Contract assets	522	569
Contract fulfillment costs	108	82
Others	39	37
Total	**1,532**	**1,090**

Other assets – Non-current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	85	111
Contract assets	34	26
Contract fulfillment costs	31	38
Others	56	40
Total	**206**	**215**

Non-current – Others includes advance of $50 million and $36 million towards acquiring right-of-use of leasehold land as at March 31, 2021 and 2020, respectively.

Contract fulfillment costs of $77 million and $72 million for the years ended March 31, 2021 and 2020, respectively, have been amortised in the profit or loss. Refer note 12 for changes in contract assets.

(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Advances received from customers	42	46
Indirect taxes payable and other statutory liabilities	508	381
Others	4	8
Total	**554**	**435**

(f) Provisions

Provisions consist of the following:

Provisions – Current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Provision towards legal claim (Refer note 19)	165	-
Provision for foreseeable loss	20	32
Other provisions	4	7
Total	**189**	**39**

12) Revenue recognition

The Group earns revenue primarily from providing IT services, consulting and business solutions. The Group offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight-lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

- The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Consultancy services	21,949	21,733
Sale of equipment and software licences	225	298
Total	**22,174**	**22,031**

Revenue disaggregation by industry vertical and geography has been included in segment information (Refer note 18).

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in IFRS 15. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is $15,507 million out of which 53.05% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**595**	**495**
Invoices raised that were included in the contract assets balance at the beginning of the year	(472)	(391)
Increase due to revenue recognised during the year, excluding amounts billed during the year	403	508
Translation exchange difference	30	(17)
Balance at the end of the year	**556**	**595**

Changes in unearned and deferred revenue are as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**478**	**468**
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(406)	(340)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	565	368
Translation exchange difference	23	(18)
Balance at the end of the year	**660**	**478**

13) Cost recognition

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

Cost of revenue

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

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances, facility expenses for sales and marketing offices and market research costs.

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

Expenses by nature

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Employee cost	12,397	12,064
Fees to external consultants	1,785	1,817
Facility expenses	288	380
Depreciation and amortisation expense	549	495
Cost of equipment and software licences	198	268
Travel expenses	146	464
Communication expenses	256	223
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	27	20
Provision towards legal claim (Refer note 19)	165	-
Other expenses	787	886
Total	**16,598**	**16,617**

Research and development expenditure including capital expenditure aggregating $38 million and $43 million, incurred during the years ended March 31, 2021 and 2020, respectively, is included in the above expenses.

Refer note 16 for function wise bifurcation of employee cost.

14) Other income

(a) Finance and other income

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

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Dividend received	1	1
Interest on bank balances and bank deposits	18	73
Interest on financial assets carried at fair value through OCI	238	264
Interest on financial assets carried at amortised cost	79	86
Others	3	80
Total	**339**	**504**

Others includes interest on income tax refunds.

(b) Finance costs

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	71	69
Interest on tax matters	13	50
Other interest costs	2	11
Total	**86**	**130**

(c) Other gains (net)

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Net gain on disposal of property, plant and equipment	2	7
Net gain on lease modification	14	2
Net gain on investments carried at fair value through profit or loss	28	28
Net gain on disposal of financial assets other than equity shares carried at fair value through OCI	-	2
Net foreign exchange gain	34	104
Others	7	2
Total	**85**	**145**

15) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company, its 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 statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

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

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

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

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

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

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The income tax expense consists of the following:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax expense for current year	1,585	1,366
Current tax expense / (benefit) pertaining to prior years	(14)	91
	1,571	**1,457**
Deferred tax		
Deferred tax expense / (benefit) for current year	(47)	127
Deferred tax benefit pertaining to prior years	(11)	(207)
	(58)	**(80)**
Total	**1,513**	**1,377**

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

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before taxes	5,914	5,933
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	2,066	2,073
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(636)	(685)
Income exempt from tax	(44)	(40)
Undistributed earnings in branches and subsidiaries	(2)	60
Tax on income at different rates	114	21
Tax pertaining to prior years	(25)	(116)
Others (net)	40	64
Total income tax expense	**1,513**	**1,377**

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 fulfillment of certain conditions. From April 1, 2011, profits from units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(In million of USD)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Ajustments / utilisation	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	16	17	-	6	-	39
Provision for employee benefits	88	23	1	11	1	124
Cash flow hedges	3	-	(2)	-	-	1
Receivables, financial assets at amortised cost	50	5	-	-	2	57
MAT credit entitlement	143	5	-	81	5	234
Branch profit tax	(38)	(3)	-	-	(1)	(42)
Undistributed earnings of subsidiaries	(37)	11	-	-	-	(26)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(64)	-	(1)	-	(3)	(68)
Lease liabilities	45	(11)	-	-	1	35
Others	63	11	-	-	-	74
Total deferred tax assets / (liabilities)	**269**	**58**	**(2)**	**98**	**5**	**428**

Gross deferred tax assets and liabilities are as follows:

(In million of USD)

As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	59	20	39
Provision for employee benefits	126	2	124
Cash flow hedges	1	-	1
Receivables, financial assets at amortised cost	57	-	57
MAT credit entitlement	234	-	234
Branch profit tax	-	42	(42)
Undistributed earnings of subsidiaries	-	26	(26)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(68)	-	(68)
Lease liabilities	35	-	35
Others	88	14	74
Total deferred tax assets / (liabilities)	**532**	**104**	**428**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(In million of USD)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Ajustments / utilisation	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	10	7	-	-	(1)	16
Provision for employee benefits	78	14	1	-	(5)	88
Cash flow hedges	(1)	-	4	-	-	3
Receivables, financial assets at amortised cost	48	6	-	-	(4)	50
MAT credit entitlement	170	(13)	-	-	(14)	143
Branch profit tax	(44)	2	-	-	4	(38)
Undistributed earnings of subsidiaries	(83)	41	-	-	5	(37)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(21)	-	(47)	-	4	(64)
Lease liabilities*	37	11	-	-	(3)	45
Others	61	12	-	-	(10)	63
Total deferred tax assets / (liabilities)	**255**	**80**	**(42)**	**-**	**(24)**	**269**

*Opening balance of deferred tax on lease liabilities has been restated by $25 million to give impact of transition to IFRS 16.

Gross deferred tax assets and liabilities are as follows:

(In million of USD)

As at March 31, 2020	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	34	18	16
Provision for employee benefits	88	-	88
Cash flow hedges	3	-	3
Receivables, financial assets at amortised cost	50	-	50
MAT credit entitlement	143	-	143
Branch profit tax	-	38	(38)
Undistributed earnings of subsidiaries	-	37	(37)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(64)	-	(64)
Lease liabilities	45	-	45
Others	73	10	63
Total deferred tax assets / (liabilities)	**372**	**103**	**269**

Under the Income-tax Act, 1961 of India, unabsorbed business losses expire 8 years after the year in which they originate. In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlements which do not qualify for recognition as per the applicable accounting standards. These unabsorbed business losses will expire based on the year of origination as follows:

(In million of USD)

March 31,	Unabsorbed business losses
2022	-
2023	-
2024	1
2025	1
Thereafter	-
Total	**2**

Under the Income-tax Act, 1961 of India, 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.

Deferred tax liability on temporary differences of $1,240 million as at March 31, 2021 associated with investments in subsidiaries has not been recognised as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

Direct tax contingencies

The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances and characterisation of fees for services received. The Company and its subsidiaries have contingent liability of $130 million and $200 million as at March 31, 2021 and 2020, respectively, in respect of tax demands which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants. In respect of tax contingencies of $43 million and $42 million as at March 31, 2021 and 2020, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2018 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2017 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2018 and earlier.

16) Employee benefits

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the date of each statement of financial position. 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 statement of financial position 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 statement of financial position represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

The Group provides benefits such as gratuity, pension and provident fund (Company managed fund) to its employees which are treated as defined benefit plans.

Defined contribution plans

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

The Group provides benefits such as superannuation, provident fund (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the date of statement of financial position. 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 date of statement of financial position.

Function wise employee cost consists of the following:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Cost of revenue	9,714	9,216
Selling, general and administrative expenses	2,683	2,848
Total	**12,397**	**12,064**

Employee cost consist of the following:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, incentives and allowances	11,213	10,901
Contributions to provident and other funds	864	819
Staff welfare expenses	320	344
Total	**12,397**	**12,064**

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Compensated absences	469	360
Other employee benefit obligations	7	4
Total	**476**	**364**

Employee benefit obligations – Non-current

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Gratuity liability	1	1
Foreign defined benefit plans	65	41
Other employee benefit obligations	36	13
Total	**102**	**55**

Employee benefit plans consist of the following:

Gratuity and pension

In accordance with Indian law, Tata Consultancy Services Limited and its subsidiaries in India operate a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

(In million of USD)

	Year ended March 31, 2021					Year ended March 31, 2020				
	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										
Benefit obligations, beginning of the year	**482**	**1**	**99**	**20**	**602**	**388**	**-**	**90**	**19**	**497**
Translation exchange difference	14	-	-	1	15	(40)	-	(1)	(2)	(43)
Plan assumed on insourcing of employees	-	-	184	3	187	4	-	-	-	4
Plan participants' contribution	-	-	2	-	2	-	-	1	-	1
Service cost	62	-	4	4	70	50	-	2	3	55
Interest cost	33	-	2	-	35	31	-	2	1	34
Remeasurement of the net defined benefit liability	18	-	19	3	40	73	1	6	-	80
Benefits paid	(22)	-	3	(1)	(20)	(24)	-	(1)	(1)	(26)
Benefit obligations,end of the year	**587**	**1**	**313**	**30**	**931**	**482**	**1**	**99**	**20**	**602**

(In million of USD)

	Year ended March 31, 2021					Year ended March 31, 2020				
	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	**482**	**-**	**83**	**-**	**565**	**386**	**-**	**77**	**-**	**463**
Translation exchange difference	15	-	-	-	15	(40)	-	(1)	-	(41)
Plan assumed on insourcing of employees	-	-	178	-	178	4	-	-	-	4
Interest income	36	-	1	-	37	33	-	1	-	34
Employers' contributions	113	-	3	-	116	107	-	2	-	109
Plan participants' contribution	-	-	2	-	2	-	-	1	-	1
Benefits paid	(22)	-	3	-	(19)	(24)	-	(1)	-	(25)
Remeasurement - return on plan assets excluding amount included in interest income	16	-	13	-	29	16	-	4	-	20
Fair value of plan assets, end of the year	**640**	**-**	**283**	**-**	**923**	**482**	**-**	**83**	**-**	**565**

(In million of USD)

	As at March 31, 2021					As at March 31, 2020				
	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	-	(1)	(35)	(30)	(66)	-	(1)	(21)	(20)	(42)
Surplus of plan assets over obligations	53	-	5	-	58	-	-	5	-	5
	53	**(1)**	**(30)**	**(30)**	**(8)**	**-**	**(1)**	**(16)**	**(20)**	**(37)**

(In million of USD)

	As at March 31, 2021					As at March 31, 2020				
	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	192	-	110	-	302	133	-	18	-	151
Equity instruments	4	-	-	-	4	2	-	-	-	2
Government bonds and securities	307	-	-	-	307	225	-	-	-	225
Insurer managed funds	124	-	59	-	183	112	-	36	-	148
Bank balances	-	-	-	-	-	-	-	1	-	1
Others	13	-	114	-	127	10	-	28	-	38
Total	**640**	**-**	**283**	**-**	**923**	**482**	**-**	**83**	**-**	**565**

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

(In million of USD)

	Year ended March 31, 2021					Year ended March 31, 2020				
	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	62	-	4	4	70	50	-	2	3	55
Net interest on net defined benefit (asset) / liability	(3)	-	1	-	(2)	(2)	-	1	1	-
Net periodic gratuity / pension cost	**59**	**-**	**5**	**4**	**68**	**48**	**-**	**3**	**4**	**55**
Actual return on plan assets	**52**	**-**	**14**	**-**	**66**	**49**	**-**	**5**	**-**	**54**

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

(In million of USD)

	Year ended March 31, 2021				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	3	-	-	-	3
Actuarial (gains) and losses arising from changes in financial assumptions	(4)	-	16	3	15
Actuarial (gains) and losses arising from changes in experience adjustments	19	-	3	-	22
Remeasurement of the net defined benefit liability	**18**	**-**	**19**	**3**	**40**
Remeasurement - return on plan assets excluding amount included in interest income	(16)	-	(13)	-	(29)
Total	**2**	**-**	**6**	**3**	**11**

(In million of USD)

	Year ended March 31, 2020				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	(1)	-	(1)	(1)	(3)
Actuarial (gains) and losses arising from changes in financial assumptions	49	-	7	1	57
Actuarial (gains) and losses arising from changes in experience adjustments	25	1	-	-	26
Remeasurement of the net defined benefit liability	**73**	**1**	**6**	**-**	**80**
Remeasurement - return on plan assets excluding amount included in interest income	(16)	-	(4)	-	(20)
Total	**57**	**1**	**2**	**-**	**60**

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

	Year ended March 31, 2021		Year ended March 31, 2020	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	4.25%-7.00%	0.40%-7.55%	5.25%-6.75%	0.60%-8.05%
Rate of increase in compensation levels of covered employees	4.00%-6.00%	1.25%-7.00%	4.00%-7.00%	1.25%-7.00%
Rate of return on plan assets	4.25%-7.00%	0.40%-7.55%	5.25%-6.75%	0.60%-8.05%
Weighted average duration of defined benefit obligations	3-18 years	5-65 years	3-18 years	6-26.10 years

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

The expected benefits are based on the same assumptions as are used to measure the Group's defined benefit plan obligations as at March 31, 2021. The Group is expected to contribute $19 million to defined benefit plan obligations funds for the year ending March 31, 2022 comprising domestic component of $16 million and foreign component of $3 million.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Increase of 0.50%	(51)	(31)
Decrease of 0.50%	57	35

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Increase of 0.50%	38	23
Decrease of 0.50%	(35)	(22)

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

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

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

The defined benefit obligations shall mature after the year ended March 31, 2021 as follows:

(In million of USD)

Year ending March 31,	Defined benefit obligations
2022	50
2023	42
2024	45
2025	48
2026	46
2027-2031	251

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 cost. 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 or loss under employee cost.

The details of fund and plan assets are given below:

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	2,725	2,263
Present value of defined benefit obligations	(2,725)	(2,263)
Net excess / (shortfall)	-	-

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

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

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.50%	6.50%
Average remaining tenure of investment portfolio	8 years	7.73 years
Guaranteed rate of return	8.50%	8.50%

The Group expensed $146 million and $146 million for the years ended March 31, 2021 and 2020, respectively towards 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 expensed $49 million and $50 million for the years ended March 31, 2021 and 2020, respectively, towards Employees' Superannuation Fund.

Foreign defined contribution plans

The Group expensed $197 million and $186 million for the years ended March 31, 2021 and 2020, respectively, towards foreign defined contribution plans.

17) Earnings per share

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

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year attributable to Shareholders of the Company (In million of USD)	4,384	4,541
Weighted average number of equity shares	3,740,110,733	3,752,384,706
Basic and diluted earnings per share in USD	1.17	1.21
Face value per equity share in ₹	1	1

18) Segment information

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

The Group has identified business segments ('industry vertical') as reportable segments. The business segments comprise:

1) Banking, Financial Services and Insurance, 2) Manufacturing, 3) Retail and Consumer Business, 4) Communication, Media and Technology and 5) Others such as Energy, Resources and Utilities, Life Sciences and Healthcare, s-Governance and Products.

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

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

Summarised segment information for the years ended March 31, 2021 and 2020 is as follows:

Year ended March 31, 2021 (In million of USD)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	**8,864**	**2,154**	**3,456**	**3,656**	**4,044**	**22,174**
Segment result	**2,522**	**607**	**968**	**1,082**	**1,111**	**6,290**
Depreciation and amortisation expense						549
Provision towards legal claim (Refer note 19)						165
Total unallocable expenses						**714**
Operating profit						**5,576**
Other income (net)						338
Profit before taxes						**5,914**
Income tax expense						1,513
Profit for the year						**4,401**
Significant non-cash items (allocable)	2	-	10	1	14	27
Significant non-cash items (unallocable)						-

Year ended March 31, 2020 (In million of USD)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	**8,578**	**2,313**	**3,689**	**3,645**	**3,806**	**22,031**
Segment result	**2,379**	**624**	**965**	**1,080**	**861**	**5,909**
Depreciation and amortisation expense						495
Total unallocable expenses						**495**
Operating profit						**5,414**
Other income (net)						519
Profit before taxes						**5,933**
Income tax expense						1,377
Profit for the year						**4,556**
Significant non-cash items (allocable)	-	-	3	1	17	21
Significant non-cash items (unallocable)						-

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

Information regarding geographical revenue is as follows:

(In million of USD)

Geography	Year ended March 31, 2021	Year ended March 31, 2020
Americas (1)	11,379	11,510
Europe (2)	7,071	6,740
India	1,142	1,259
Others	2,582	2,522
Total	**22,174**	**22,031**

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

Information regarding geographical non-current assets is as follows:

(In million of USD)

Geography	As at March 31, 2021	As at March 31, 2020
Americas (3)	494	497
Europe (4)	546	446
India	2,513	2,580
Others	200	208
Total	**3,753**	**3,731**

- (1) and (3) are substantially related to operations in the United States of America.
- (2) includes revenue in the United Kingdom of $3,466 million and $3,495 million for the years ended March 31, 2021 and 2020, respectively.
- (4) includes non-current assets in the United Kingdom of $198 million and $151 million for the years ended March 31, 2021 and 2020, respectively.

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2021 and 2020.

19) Commitments and contingencies

Capital commitments

The Group has contractually committed (net of advances) $146 million and $185 million as at March 31, 2021 and 2020, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

  Refer note 15.

- **Indirect tax matters**

  The Company and its subsidiaries in India have ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company and its subsidiaries have demands amounting to $76 million and $69 million as at March 31, 2021 and 2020, respectively, from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

- **Other claims**

  Claims aggregating $27 million and $28 million as at March 31, 2021 and 2020, respectively, against the Group have not been acknowledged as debts.

  In addition to above, in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin alleging unauthorised access to and download of their confidential information and use thereof in the development of the Company's product MedMantra. In April 2016, the Company received an unfavourable jury verdict awarding damages of $940 million to Epic which was thereafter reduced by the Trial Court to $420 million. Pursuant to reaffirmation of the District Court order in March 2019, the Company filed an appeal in the Appeals Court to fully set aside the Order. Epic also filed a cross appeal challenging the reduction by the District Court judge of $100 million award and $200 million in punitive damages. On August 20, 2020, the Appeals Court vacated the award of $280 million in punitive damages considering the award to be constitutionally excessive and remanded the case back to District Court with instructions to reassess and reduce the punitive damages award to at most $140 million, affirmed the District Court's decision vacating the jury's award of $100 million in compensatory damages for alleged use of "other confidential information" by the Company, and affirmed the District Court's decision upholding the jury's award of $140 million in compensatory damages for use of the comparative analysis by the Company. The Company filed a petition for re-hearing of compensatory and punitive damages at the Appeals Court on September 3, 2020. Epic also filed for re-hearing that portion of the Appeals Court's decision that invalidated 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. Both the Company and EPIC have filed their briefs at the District Court in relation to punitive damages. The matter is under consideration by the District Court. On April 8, 2021, Epic has approached the Supreme Court seeking review of the order of the Appeals Court vacating the award of $280 million towards punitive damages and remanding back to District Court with an instruction to reassess the punitive damages, to no more than $140 million. The Company will continue to pursue all legal options available in the matter. Considering all the facts and various legal precedence, on a conservative and prudent basis, the Company has provided $165 million towards this legal claim in its statement of profit or loss for the year ended March 31, 2021. This has been included in the operating expenses as provision towards legal claim.

Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for $440 million as financial security in order to stay execution of the judgement pending post-appeal proceedings and conclusion.

- **Letter of comfort**

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

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

20) 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.

21) List of direct and indirect subsidiaries, country of incorporation and percentage of voting power

Name of the Company	Country of incorporation	% of voting power as at March 31, 2021	% of voting power as at March 31, 2020
Subsidiaries (held directly)			
APTOnline Limited	India	89.00	89.00
C-Edge Technologies Limited	India	51.00	51.00
Diligenta Limited	UK	100.00	100.00
MP Online Limited	India	89.00	89.00
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00
Tata America International Corporation	USA	100.00	100.00
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00
Tata Consultancy Services Belgium	Belgium	100.00	100.00
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00
TCS FNS Pty Limited	Australia	100.00	100.00
TCS Iberoamerica SA	Uruguay	100.00	100.00
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00
MahaOnline Limited	India	74.00	74.00
Tata Consultancy Services Qatar S.S.C.	Qatar	100.00	100.00

Name of the Company	Country of incorporation	% of voting power as at March 31, 2021	% of voting power as at March 31, 2020
TCS e-Serve International Limited	India	100.00	100.00
TCS Foundation	India	100.00	100.00
CMC Americas, Inc.	USA	-	100.00
W12 Studios Limited	UK	100.00	100.00
Tata Consultancy Services Ireland Limited	Ireland	100.00	-
Subsidiaries (held indirectly)			
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00
Tata Consultancy Services (China) Co., Ltd.	China	93.20	93.20
TCS Solution Center S.A.	Uruguay	100.00	100.00
Tata Consultancy Services Argentina S.A.	Argentina	100.00	100.00
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00
TCS Italia s.r.l.	Italy	100.00	100.00
Tata Consultancy Services Japan, Ltd.	Japan	66.00	66.00
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D de Luxembourg).	100.00	100.00
Tata Consultancy Services (Portugal) Unipessoal, Limitada	Portugal	100.00	100.00
TCS Inversiones Chile Limitada	Chile	100.00	100.00
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00

Name of the Company	Country of incorporation	% of voting power as at March 31, 2021	% of voting power as at March 31, 2020
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	100.00	100.00
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00
TCS e-Serve America, Inc.	USA	100.00	100.00
TCS Uruguay S.A.	Uruguay	100.00	100.00
MGDC S.C.	Mexico	100.00	100.00
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00
Tata Consultancy Services Danmark ApS	Denmark	100.00	100.00
Tata Consultancy Services France	France	100.00	100.00
Tata Consultancy Services Saudi Arabia	Saudi Arabia	76.00	76.00
Technology Outsourcing S.A.C.	Peru	-	100.00
TCS Business Services GmbH	Germany	100.00	100.00
Postbank Systems AG	Germany	100.00	-

Notes:

1. CMC Americas, Inc., a wholly owned subsidiary of the Company incorporated in USA, was liquidated w.e.f. December 16, 2020.
2. The Company incorporated a wholly owned subsidiary, Tata Consultancy Services Ireland Limited in Ireland on December 2, 2020.
3. 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.
4. Equity stake in Postbank Systems AG acquired w.e.f. January 1, 2021.
5. Tata Consultancy Services France SA was renamed as Tata Consultancy Services France.

22) Related party transactions

The Company's principal related parties consist of its holding company Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business. Refer note 21 for list of subsidiaries of the Company.

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

Transactions with related parties are as follows:

(In million of USD)

	Year ended March 31, 2021				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue	4	82	297	-	383
Facility expenses	-	3	5	-	8
Lease rental	-	4	5	-	9
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	1	-	-	1
Brand equity contribution	24	-	-	-	24
Contribution and advance to post employment benefit plans	-	-	-	798	798
Purchases of goods and services (including reimbursements)	-	65	47	-	112
Purchase of property, plant and equipment	-	-	12	-	12
Loans and advances given	-	-	1	-	1
Loans and advances recovered	-	-	1	-	1
Dividend paid	1,056	-	-	-	1,056
Buy-back of shares	1,370	1	-	-	1,371

(In million of USD)

	Year ended March 31, 2020				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue	4	61	306	-	371
Lease rental	-	8	4	-	12
Brand equity contribution	22	-	-	-	22
Contribution and advance to post employment benefit plans	-	-	-	376	376
Purchases of goods and services (including reimbursements)	1	77	64	-	142
Purchase of property, plant and equipment	-	29	15	-	44
Loans and advances given	-	-	12	-	12
Loans and advances recovered	-	-	5	-	5
Dividend paid	3,220	1	-	-	3,221

Balances receivable from related parties are as follows:

(In million of USD)

	As at March 31, 2021				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables, unbilled receivables and contract assets	1	36	98	-	135
Other financial assets and other assets	1	4	8	-	13
Total	**2**	**40**	**106**	**-**	**148**

(In million of USD)

	As at March 31, 2020				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables, unbilled receivables and contract assets	1	33	90	-	124
Other financial assets and other assets	1	4	9	-	14
Total	**2**	**37**	**99**	**-**	**138**

Balances payable to related parties are as follows:

(In million of USD)

	As at March 31, 2021				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	23	41	53	-	117
Total	**23**	**41**	**53**	**-**	**117**
Commitments	-	1	37	-	38

(In million of USD)

	As at March 31, 2020				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	19	32	33	-	84
Total	**19**	**32**	**33**	**-**	**84**
Commitments	-	2	49	-	51

Material related party transactions are as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue		
Jaguar Land Rover Limited	147	160
Tata Steel IJmuiden BV	61	49

Material related party balances are as follows:

(In million of USD)

	As at March 31, 2021	As at March 31, 2020
Trade receivables, unbilled receivables and contract assets		
Jaguar Land Rover Limited	40	28

Transactions with key management personnel are as follows:

(In million of USD)

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits	6	4
Dividend paid during the year	-*	-*
Total	**6**	**4**

*Amount less than $1 million.

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

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

23) Dividends

Dividends paid during the year ended March 31, 2021 include an amount of $0.08 (₹6) per equity share towards final dividend for the year ended March 31, 2020 and an amount of $0.31 (₹23) per equity share towards interim dividends for the year ended March 31, 2021. Dividends paid during the year ended March 31, 2020 include an amount of $0.26 (₹18) per equity share towards final dividend for the year ended March 31, 2019 and an amount of $0.93 (₹67) per equity share towards interim dividends (including special dividend) for the year ended March 31, 2020.

Dividends declared by the Company are based on profits available for distribution. On April 12, 2021, the Board of Directors of the Company have proposed a final dividend of $0.20 (₹15) per share in respect of the year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately $742 million.

Glossary

5G	Fifth generation wireless technology for digital cellular networks. 5G is expected to be much faster and enable much higher volumes of data sharing than earlier generations of cellular networks. Its massive capacity and ultra-low latency are expected to usher in an era of hyper-connectivity, enabling newer use cases such as autonomous cars, and accelerating the adoption of IoT.
ADM	See Application Development and Maintenance
Agile	A collaborative approach for IT and business teams to develop software incrementally and faster. TCS has pioneered the Location Independent Agile™ model that allows for deployment at scale, and helps globally distributed organization execute large transformational programs quickly, while ensuring stability and quality.
AgilityDebt™	AgilityDebt™ is a simple index developed by TCS, which uniquely indicates the burden carried by an organization that restricts its Agility. The index is arrived at based on a holistic Agile maturity assessment framework that measures the gap against required Agile talent, roles, team composition, delivery practices, Agile culture, Agile technology and DevOps enablers. TCS uses AgilityDebt™ to assess where the customer's teams are in the Agile journey, find the bottlenecks, and accelerate their Agile transformations.
Agile Workspaces	These are key enablers of TCS' Location Independent Agile model, and represent the next generation work environment that facilitate greater collaboration among teams. It is characterized by partition-less open offices, informal seating, interactive surfaces for information capture, and modern collaboration devices for increased productivity.
AI	See Artificial Intelligence
Algo Retail™	TCS' proprietary approach and suite of intellectual property that enables retailers to seamlessly integrate and orchestrate data flows across the retail value chain, harnessing the power of analytics, AI and machine learning in the areas of personalization, pricing optimization, marketing, online search and commerce to unlock exponential business value.
Amortization	An accounting concept similar to depreciation, but used to measure the consumption of intangible assets.
Analytics	In the enterprise context, this is the discovery, interpretation, and communication of meaningful patterns in business data to predict and improve business performance.
Annuity Contract	A long-term contract which can guarantee regular payments.
APAC	Acronym for Asia Pacific
API	See Application Programming Interface

APIfication	The process of exposing a discrete business function or data within an enterprise's systems through APIs.
Application Development and Maintenance	Design, development, and deployment of custom software; ongoing support, upkeep, and enhancement of such software over its lifetime.
Application Programming Interface	A set of easily accessible protocols for communication among various software components.
AR	See Augmented Reality
Artificial Intelligence	Technology that emulates human performance by learning, coming to its own conclusions, understanding complex content, engaging in natural dialogs with people, augmenting human effort or replacing people on execution of non-routine tasks. Also known as Cognitive Computing.
ASEAN	Acronym for Association of Southeast Asian Nations
Assets Under Custody	A measure of the total assets for which a financial institution, typically a custodian bank, provides custodian services.
AUC	See Assets Under Custody
Attrition	Measures what portion of the workforce left the organization (voluntarily and involuntarily) over the last 12 months (LTM). Attrition (LTM) = Total number of departures in the LTM / closing headcount

Augmented Reality	Technology that superimposes a computer-generated image on a user's view of the real world to enrich the interaction.
Automation	The execution of work by machines in accordance with rules that have either been explicitly coded by a human or 'learned' by the machine through pattern recognition of data. Popular types include Robotic Process Automation and Cognitive Automation.
Basis Point	One hundredth of a percentage point, that is, 0.01 percent.
BFSI	Acronym for Banking, Financial Services and Insurance
Big Data	A high volume, high velocity, and/or high variety information asset that require new forms of processing to enable enhanced decision making, insight discovery, and process optimization.
Blockchain	A distributed database that maintains a continuously growing list of records, called blocks, secured from tampering and revision.
Bp	See Basis Point
BPaaS	See Business Process as a Service
BPS	See Business Process Services

Business 4.0	TCS' thought leadership framework that helps enterprises leverage technology to further their growth and transformation agenda. Successful Business 4.0 enterprises use technology to deliver mass personalization, leverage ecosystems, embrace risk and create exponential value. Such enterprises are agile, intelligent, automated and on the cloud.
Business Process as a Service	Refers to the delivery of BPS over a cloud computing model. Whereas traditional BPS relies on labor arbitrage to reduce costs, BPaaS aggregates demand using the cloud, servicing multiple customers with a single instance, multi-tenant platform and shared services, thereby delivering significant operating efficiencies. The pricing model is usually outcome based.
Business Process Services	Designing, enabling, and executing business operations including data management, analytics, interactions and experience management.
Buyback	A corporate action in which a company returns excess cash to shareholders by buying back its shares from them and usually extinguishing those shares thereafter. The company's equity share capital and the number of shares outstanding in the market correspondingly reduces.
CAGR	See Compounded Annual Growth Rate

Capital Expenditure (CapEx)	Funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology, or equipment.
Cash and Cash Equivalents	Cash comprises cash on hand and demand / time / fixed deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.
Cash Flow	Inflows and outflows of cash and cash equivalents.
Cash Flow from Operating Activities	Primarily derived from the principal revenue producing activities. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss.
CBO	See Cognitive Business Operations
CC	See Constant Currency
Chatbots	Computer programs designed to simulate conversation with human users, especially over the internet. They are typically used in dialog systems for various practical purposes like customer service or information acquisition.
Cloud	See Cloud Computing
Cloud Computing	The delivery of easily provisionable computing resources – servers, storage, databases, networking, software, analytics and more – over the internet, consumed on a pay-as-you-go basis.
CMT	Acronym for Communication, Media and Technology
Cognitive Automation	The use of AI and machine learning to automate relatively more complex tasks that require reasoning capability and contextual awareness. TCS' ignio™ is a leading cognitive automation software product in the market today.
Cognitive Business Operations (CBO)	An integrated offering where TCS takes responsibility for the outcome of an entire slice of the customers' operations including the business processes and the underlying IT infrastructure, and uses cognitive automation to transform that operational stack.
Cognitive Computing	See Artificial Intelligence
COIN	See Co-Innovation Network
Co-Innovation Network	This is an extended, global innovation ecosystem curated by TCS, to harness the innovation efforts of start-ups and academia, and incorporate them into transformational solutions built by TCS for its customers.
Compounded Annual Growth Rate (CAGR)	The annual growth rate between any two points in time, assuming that it has been compounding during that period.
Connected Clinical Trials (CCT) Platform	Part of the TCS ADD suite, CCT is an innovative software-as-a-service platform that enables life sciences companies to significantly transform patient engagement in clinical trials and improve adherence to protocols, as well as the efficiency and accountability of clinical trials.
Constant Currency	The basis for restating the current period's revenue growth after eliminating the impact of movements in exchange rates during the period.
Contextual Knowledge	This is tacit knowledge pertaining to, and specific to, the granular nuances of a customer's business and IT landscape, acquired on the job over a period of time. TCS teams use their contextual knowledge to design technology solutions that are uniquely tailored for that customer, and therefore, a potential source of competitive differentiation.
CPG	Acronym for Consumer Packaged Goods
Core Banking System	A back-end system that processes daily banking transactions and posts updates to accounts and other financial records; typically includes deposit, loan and credit processing capabilities, with interfaces to general ledger systems and reporting tools.

Core Transformation	Modernization initiatives that target the one or more elements of the organization's operations stack consisting of business processes, software systems and underlying infrastructure, usually to enable greater agility, scalability, resilience and a superior customer experience. These are typically large in scale and scope, and entail the integrated delivery of multiple capabilities.
Cyber Security	Technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access.
Days' Sales Outstanding (DSO)	A popular way of depicting the Trade Receivable relative to the company's Revenue. DSO = Trade Receivable * 365 / LTM Revenue
Depreciation	A method of allocating the cost of a tangible long-term asset over its useful life. It is a non-cash accounting entry found in the statement of profit and loss.
DevOps	Represents a new way of working to rapidly deploy new releases of a software in production using high levels of automation and tooling. TCS recommends adoption of DevOps, along with Agile for speed to market.
Digital	Represents new age technologies such as Social Media, Mobility, Analytics, Big Data, Cloud, Artificial Intelligence and Internet of Things. Increasingly, with these technologies becoming mainstream, this word is becoming redundant.

Digital Twin	A digital replica of a physical entity. For instance, a digital twin of a factory is a virtual model of the factory built using its data, process and people information. The Impact of any change in a process in the real factory can be studied by simulating the change in the digital twin.
Discretionary Spend	Also known as Change the Business (CTB) spend, it is that portion of the IT budget which is used to fund projects that are not, strictly speaking, essential for day to day operations, but are more transformational in nature. In uncertain economic times, when businesses are forced to cut spends in response to decline in income, discretionary spend is often the first to be scrutinized. However, what is considered discretionary is subjective and may differ considerably amongst businesses even within the same sector.
Distributed Ledger Technology	See Blockchain
Dividend	One form of distribution of profits earned by the Company and is usually declared as an amount per equity share held by the shareholders. TCS has a policy of declaring quarterly interim dividends and the final dividend is approved by the shareholders in the Annual General Meeting.
DLT	See Distributed Ledger Technology

Earnings Per Share	The amount of that period's Net Income attributable to a single share after deducting any preference dividend and related taxes. EPS = [Net profit attributable to Shareholders of the Company – Preference dividend, if any] / Weighted average number of equity shares outstanding during the period
Edge Computing	Computing and storage that is located on servers on the edge of the network, in close proximity to the users, but not through an on-premise data center; usually reserved for low latency use cases.
Effective Tax Rate	The proportion of the Profit Before Tax that is provided towards income taxes. ETR = Tax expense / Profit Before Tax
Engineering and Industrial Services	Consists of next generation product engineering, manufacturing operations transformation, services transformation, embedded software and Internet of Things.
Enterprise Agile	The adoption of Agile methods across all the business functions of the enterprise, designed to empower employees, foster collaboration and drive a culture of continuous innovation at scale.
EPS	See Earnings Per Share
ETR	See Effective Tax rate
Fair Value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fintech	Businesses that use technology to make financial services more efficient. Some fintech developments have improved traditional services, for example mobile banking apps, while others have revolutionized services such as pay per mile car insurance, or created new products, such as Bitcoin.
Fixed Price Contracts	A form of services contracts where the vendor takes a turnkey responsibility for delivering a solution for a certain price and within a mutually agreed timeframe. The customer is billed on completion of key project milestones and related deliverables. This arrangement gives the vendor considerable flexibility in the staffing and execution of the project. On the other hand, it also means bearing the project risk.
Forward Contract	A hedging instrument wherein two parties agree to buy or sell a particular asset (such as stock or currency) at a pre-determined rate (or Forward rate) on a specific future date. For e.g. TCS enters into a forward contract to sell USD 1 million after 3 months @ ₹ 72. Irrespective of the prevailing USD-INR spot rate, TCS will be obliged to sell USD 1 million @ ₹ 72 at the end of 3 months.

Framework	A kind of intellectual property, consisting of software which provides generic functionality for a certain business use case, and which is customized for a specific customer's needs with additional code. Use of such pre-built code reduces time to market and results in more stable, reliable solutions.
Free Cash Flow	Represents the cash a company generates through its operations, less the capital expenditure. Free cash flow = Cash flow from operating activities – Capital expenditure
Furlough	A temporary cessation of work without pay for the employees, usually implemented by organizations facing under difficult economic conditions, and in lieu of laying off employees.
Gamification	The process of adding games or game-like elements to any activity in order to enrich experiences and encourage user participation.
GDPR	Acronym for General Data Protection Regulation, a European Union regulation for data protection and privacy.
Growth and Transformation	Initiatives launched to improve the enterprise's revenues, leveraging technology to adopt new business models, drive new revenue streams, enhance customer experience or target new customer segments. This is in contrast to traditional outsourcing engagements where the focus is on improving efficiency and saving costs.
G&T	See Growth and Transformation

Hybrid Cloud	An enterprise IT infrastructure model that combines private clouds, public clouds and on premise data centers, to meet the compute and storage needs of the business.
Innovation Days	Focused workshops with a TCS customer where researchers and business leaders from both organizations participate to explore emerging technologies for specific customer problems.
Innovation Forum	TCS' thought leadership event that is held in North America, UK, Latin America and Japan. It brings together researchers from academia, innovators from the start-up ecosystem, technology watchers, futurists and customers to brainstorm around emerging technologies.
Inorganic Growth	Growth in revenue due to mergers, acquisitions or takeovers, rather than due to an increase in the company's own business activity.
Internet of Things	A network of interconnected machines or devices embedded with sensors, software, network connectivity, and necessary electronics to generate and share run-time data that can be studied and used to monitor or control remotely, predict failure, and optimize the design of those machines / devices.
Invested Funds	Aggregation of cash and various forms of investments (excluding investments in equity shares designated at fair value through OCI). Invested Funds = Cash and Cash Equivalents + Investments (excluding equity shares designated at fair value through OCI) + Bank deposits + Inter-corporate deposits

Intellectual Property	An asset that is the result of a creative design or idea, such as patents, copyrights, reusable code, software products and platforms, and gives the owner exclusive rights over its usage, such that no one can copy or reuse the creation without the owner's permission.
Interactive Technology	Allows for a two-way flow of information through an interface between the user and the technology; the user usually communicates a request for data or action to the technology with the technology returning the requested data or result of the action back to the user.
Involuntary Attrition	A reduction in the workforce due to the employer's decision to terminate employment, instead of the employees' decision to leave.
IoT	See Internet of Things
IP	See Intellectual Property
KMP	See Key Managerial Personnel
Key Managerial Personnel	At TCS, this refers to the Chief Executive Officer and Managing Director, Chief Operating Officer and Executive Director,, Chief Financial Officer, and the Company Secretary. Please refer to the company's policy on KMP.
LatAm	Acronym for Latin America

Location Independent Agile	A method to orchestrate globally distributed stakeholders and talent into Agile teams for improved speed to market in large transformational programs. It comprises processes, structure, and the technology that allows enterprises to overcome location constraints and embrace Agile methods on a global scale.
LTM	Last Twelve Months
Machine First™ Delivery Model	A model that integrates analytics, AI and automation deep within the enterprise to redefine how humans and machines work together and to effectively deliver superior outcomes.
Machine Learning	A type of artificial intelligence that provides computers with the ability to learn behaviors without being explicitly programmed.
Managed Services	This is the practice of outsourcing to one service provider, also known as the Managed Services Provider (MSP), the end-to-end responsibility for providing, or orchestrating the provision through third party providers of, services around a range of processes and functions, in order to improve efficiency, service quality, agility and scalability.
Managed Services Provider	Service providers with the sole, end-to-end responsibility of providing Managed Services.

Market Capitalization	The total market value of a company's total outstanding equity shares at a point in time. Market Cap = Last Trading Price * Total number of outstanding shares
MEA	Acronym for Middle East and Africa
MFDM™	Acronym for Machine First Delivery Model
Minimum Viable Product	The most basic version of a new product, with the bare minimum functionality, which can be released to the users at the earliest, to be augmented with incremental features and functionality over subsequent iterative cycles. MVPs can be used by teams to learn about user behavior and validate the product value with minimum investment.
Mobility	Information, convenience, and social media all combined together, and made available across a variety of screen sizes and hand-held devices.
MSP	See Managed Services Provider
MVP	See Minimum Viable Product
Non-Controlling Interest	The share of the net worth attributable to non-controlling shareholders of the subsidiaries.
Non-discretionary Spend	Also known as Run the Business (RTB) spend, is that portion of the IT budget that covers the basic IT activities required to keep a business running. Even in tough economic times, non-discretionary spend remains relatively unaffected.

Options Contract	A hedging instrument that offers the buyer the right to buy or sell the underlying asset (such as stocks or currency) on a future date, at a specified price, for small upfront fee called options premium. Eg: TCS purchases an options contract to sell USD 1mn @ ₹ 77/$ after 3 months, paying an option premium of ₹ 1 million. With this, TCS will have the right to sell USD 1mn at an exchange rate of ₹ 77, even if the prevailing market rate at the end of three months is, say ₹ 75. On the other hand, if the market rate is higher, say ₹ 79, then TCS can choose to let the options contract lapse and instead sell at the market rate.
Order Book	See Total Contract Value
Organic Growth	The revenue growth a company can achieve by increasing its existing business activity. This does not include growth attributable to takeovers, acquisitions or mergers.
Other Comprehensive Income	Other comprehensive income (OCI) comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by IFRSs / IASs.
PaaS	See Platform as a Service
Personalization	Segmentation and responding to individual transactions, customized for a single customer in a single instance.

Platforms	A group of technologies that are used as a base upon which other applications, processes or technologies are developed. Useful for optimizing costs and efforts, and eliminating iterative tasks to drive strategic business initiatives.
Platform as a Service (PaaS)	A category of cloud computing that provides a platform and environment to allow developers to build applications and services over the internet. PaaS services are hosted in the cloud and accessed by users simply via their web browser.
Pricing	The price charged to the customer for a billable effort, turnkey project or a certain process outcome, depending on the nature of the contract. Some use this term interchangeably (and somewhat inaccurately) with the average revenue realized by the company per utilized effort on an aggregate basis. See Realization.
Private Cloud	Refers to a model of cloud computing where IT infrastructure, in terms of compute and storage resources, are provisioned for the dedicated use of a single organization.
Product	In the technology context, refers to a packaged software program that is made available to multiple customers either on a license basis, or on a subscription basis, to enable the execution of certain common tasks or processes or business functions in a standardized way. This is the opposite of bespoke or custom software which is built to specifications to meet a customer's unique needs.

Public Cloud	A computing service model used for the provisioning of storage and computational services to the general public over the internet. Public cloud facilitates access to IT resources on a 'pay as you go' billing model.
R&I	Acronym for Research & Innovation
Realization	The revenue received by the company per utilized effort. Pricing varies by service and by market. Consequently, there can be changes in realization compared to a prior period, due to changes in the underlying business or geographic mix during the period. This does not necessarily mean that like-to-like pricing has changed. Also, realization doesn't take into account the costs and therefore, higher realization is not necessarily more profitable.
Related Party Transactions	Any transaction between a company and its related party involving transfer of services, resources or any obligation, regardless of whether a price is charged. Please refer to the Company's policy on Related Party Transactions.
Revenue	The income earned by the Company from operations by providing IT and consulting services, software licenses, and hardware equipment to customers.

RFP	Acronym for Request for Proposal, meaning a document that solicits proposal, often made through a bidding process, by an entity interested in procurement of IT services, to potential service providers to submit business proposals. An RFP is floated early in the procurement cycle and requested information may include basic corporate information and history, financial information, technical capability and estimated completion period, and customer references.
Robotic Process Automation	The use of software tools to automate high-volume, repeatable tasks that previously required humans to perform. RPA is best suited for relatively simple and stable processes. Dynamic changes in the environment require ongoing upkeep of the robots, diluting the economic benefit of the automation. Increasingly, customers are preferring cognitive automation over RPA.
RPA	See Robotic Process Automation
SBWS™	See Secure Borderless Workspaces
Secure Borderless Workspaces™	TCS' innovative operating model rolled out in response to the COVID-19 disruption. It is a fully location agnostic extension of the Location Independent Agile model, enabling employees to work remotely, while retaining the same high rigor in project management, governance and security. The fully distributed nature of this model is better suited to ensure business continuity. It leverages TCS' prior investments and incorporates the learnings and best practices around network management, standard service delivery environment, digitized governance processes, heavy use of collaborative and cloud based technologies and an internal SOC benchmarked to the best in the industry.
SEZ	See Special Economic Zone
Shareholder Payout Ratio	The proportion of earnings paid to shareholders as a percentage of the Company's earnings, i.e. Net Income attributable to Shareholders of the Company. Payout can be in the form of dividend and share buyback. Payout includes tax payable by the company on behalf of the shareholders in the form of dividend distribution tax and buyback tax.
Simplification	The rationalization of IT architectures through consolidation of systems and elimination of redundant systems and layers. The primary purpose is to shrink the IT footprint and make operations leaner and more efficient.
Sole Sourced Contract	Non-competitive agreements that allow a single vendor to fulfill the needs of the contractual requirements. These types of contracts can be won when the competitor set narrows down significantly and comes down to a single vendor discussion, given the nature of the client's solution requirements.
Special Economic Zone	In India, these are designated areas in which business and trade laws are different from the rest of the country, with various benefits and tax breaks to promote exports, attract investments, and create local jobs.
STEM	An acronym for education in the fields of science, technology, engineering and math.
T&M	See Time and Materials Contract
TCS Pace™	A brand promise that represents the way TCS channels its domain knowledge and organizational units – business and technology services, industry solutions units, and the research and innovation organization – into internal and external co-innovation programs.
TCS Pace Port™	Physical spaces where TCS Pace can be experienced. These spaces are close to academic and start-up hubs, and enclose innovation showcases, Agile workspaces and think spaces. They encourage brainstorming, design thinking and collaborative innovation with internal and external partners.
TCV	See Total Contract Value

Time and Materials Contract	A form of services contract where the customer is billed for the effort (in hours, days, weeks, etc.) logged by the project team members. Project risk is borne by the customer. This contrasts with Fixed Price Contracts.
Total Contract Value	An aggregation of the value of all the contracts signed during a period and a useful indicator of demand, and near term business visibility.
Turnkey Contracts	See Fixed Price Contracts
Unearned and Deferred Revenue	Invoices raised in line with agreed milestones for services yet to be delivered. In other words, it is the amount that has been invoiced although the underlying effort is yet to be expended.

VR	See Virtual Reality
Virtual Reality	Artificial, computer-generated simulation or recreation of a real-life environment or situation. It engages users by offering simulated reality experiences firsthand, primarily by stimulating their vision and hearing.
Virtualization	The abstraction of IT resources – like a server, client, storage or network – that masks the physical nature and boundaries of those resources from the users of those resources.
Voluntary Attrition	Refers to reduction in workforce resulting from employees willingly leaving the organization to pursue other opportunities, spend time with family, or for some other personal reason.

XR	Extended reality, an umbrella term that covers augmented reality, virtual reality and mixed reality.
Y-o-Y	Year-on-Year

Disclaimer: This glossary is intended to help understand commonly used terms and phrases in this report. The explanations are not intended to be technical definitions. If explanations provided here are found to be different from what is described in the Company's periodic financial statements (not limited to Notes to Accounts), then the definition provided in the certified financial statements will prevail.

ABOUT THIS REPORT[1]

This report for FY 2021 (year ending March 31, 2021) is an Integrated Report, that covers TCS' performance across financial, human, intellectual, relationship, social, natural and manufactured capitals. The last edition was for FY 2020. It has been prepared in accordance with the Integrated Reporting framework and GRI Standards Core Option.

SCOPE AND BOUNDARY OF REPORTING

Reporting period

This report is produced and published annually. It provides material information relating to TCS strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, covering the year April 1, 2020 to March 31, 2021.

Financial and non-financial reporting

The basis and exclusions for reporting are as below:

Data	Basis	Exclusions
Financial	TCS' consolidated global operations	None
Human Resources	TCS' global operations, including wholly owned subsidiaries	Subsidiaries not wholly owned by TCS (accounting for 2.4% of the consolidated headcount)
Environmental	Delivery centers in Brazil, Chile, China, Colombia, Hungary, India, Mexico, Peru, Philippines, Singapore, UK, and Uruguay	Remaining delivery centers, accounting for ~4% of the headcount

[1] 102-10, 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56

The data measurement techniques used, and the basis of calculations and estimates have been mentioned in the relevant areas of this report. TCS does not believe there is any substantial divergence from the GRI Indicator Protocols. The scope, boundaries, and methodology for data analysis in this document remain the same as in the prior year. There has been no restatement of information or changes in the material topics or boundaries since the prior year. The data is sourced from Ultimatix, TCS' core enterprise platform. Other supporting data is reviewed by relevant third-party assurers as part of ISO and financial audit.

Assurance

Ernst & Young has assured the data presented under GRI Standards disclosures as specified in their Assurance Statement. The scope and basis of assurance have been described in their assurance letter. The Board was not involved in seeking this assurance.

Contact[2]

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Website: www.tcs.com

[2] 102-3, 102-53

Please email any feedback / queries:

Sustainability / ESG topics:
corporate.sustainability@tcs.com

Any other topic: investor.relations@tcs.com

Stakeholder Engagement Framework

TCS strives to create value for all stakeholders and aspires to understand and act upon material matters for its business, stakeholders, and society. TCS' strategy is based on its stakeholder engagement program and a materiality assessment. TCS engages with a broad spectrum of stakeholders, to deepen its insights into their needs and expectations, and to develop sustainable strategies for the short, medium, and long term. Stakeholder engagement also helps to manage risks and opportunities in business operations.

The key stakeholders identified in consultation with the company's management are: customers, employees, shareholders, academic institutions, head-hunters, staffing firms, other suppliers, partners and collaborators, industry bodies such as NASSCOM and CII[3], governments, NGOs, local communities, regulators and society at large[4].

[3] 102-13

[4] 102-40, 102-42

Some other stakeholders that TCS closely engages with – such as industry analysts, equity analysts, and the news media –are proxies for other named stakeholders – i.e. customers, shareholders, and society at large, respectively.

Stakeholder interactions might be structured (e.g. surveys, account statements) or unstructured (town halls, 1x1 meetings). Based on mutual convenience and need, the engagement maybe scheduled as needed, or pre-scheduled on a periodic basis (fortnightly/ monthly/ quarterly/ annual) or continuous (e.g. website, social media)[5].

The below table shows an overview of TCS' stakeholder group and how the company engages with them:

[5] 102-43

Customers

How TCS engages?

- **As needed:** Project-related calls and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/RFPs; sponsored events; mailers; newsletters; brochures
- **Continuous:** TCS website; social media (LinkedIn, Twitter, Facebook, Instagram, YouTube)
- **Half-yearly:** Customer satisfaction surveys
- **Annual:** Customer summits; Innovation days; Executive customer surveys; Sponsored Community events

Shareholders

How TCS engages?

- **As needed:** Press releases and press conferences; email advisories; facility visits; in-person meetings; investor conferences; non-deal roadshows; conference calls
- **Quarterly:** Financial statements in Ind AS and IFRS; earnings call; exchange notifications; press conferences
- **Continuous:** Investors page on the TCS website
- **Annual:** Annual General Meeting; Annual Report

Head-hunters; staffing firms; other suppliers

How TCS engages?

- **One-time:** RFIs/RFPs; empanelment process
- **As needed:** Transactional meetings; periodic reviews; surveys

Industry bodies, Regulators

How TCS engages?

- **As needed** (need basis / usually 1-2 meetings in 3 months' basis):
  - Conferences and seminars,
  - working committee meetings,
  - surveys,
  - other meetings
- **Annual:** Conferences; summits

Employees

How TCS engages?

- **As needed:** Town halls; roadshows; project or operations reviews; video conferences; audio conference calls; one-on-one counselling
- **Monthly:** @TCS (in-house magazine)
- **Continuous:** TCS website; Ultimatix Notice Board; CEO Connect; CTO Blog; Corporate Corner; Knome; dipstick surveys; grievance redressal system
- **Annual:** PULSE (employee feedback survey); long-service awards; sales meets; Blitz (business planning meet)

Academic Institutions

How TCS engages?

- **As needed:** Academic Interface Program; Co-Innovation Network (COIN™) meetings
- **Continuous:** TCS website; academic portal
- **Annual:** Sangam (high-level academic conference); campus recruitment

Partners and Collaborators

How TCS engages?

- **As needed:** Meetings/calls; COIN™ meetings; visits; partner events
- **Monthly:** Conference calls
- **Quarterly:** Business reviews
- **Annual:** Partner events

Governments; NGOs; local communities; society at large

How TCS engages?

- **As needed:** Governance RFIs/RFPs; presentations; project meetings; reviews; calls and meetings; surveys; consultative sessions; field visits; due diligence; calls and meetings; conferences and seminars; surveys; press releases; press conferences; media interviews and quotes; sponsored events
- **Continuous:** TCS website

Identification of Material Topics

TCS conducts annual materiality assessments to update the list of material topics. The key elements of that assessment include:

ENGAGEMENT WITH STAKEHOLDERS

Stakeholder interactions result in the identification of a broad funnel of issues important to each of the constituencies. The Company's Sustainability Council uses discussions with internal and external stakeholders, as well as its own judgment, to prioritize and arrive at a list of material topics with significant economic, environmental, or social impacts on TCS' business, reputation, and operations.

KEY ELEMENTS OF ANNUAL MATERIALITY ASSESSMENTS

SUSTAINABILITY CONTEXT AND VALUE CHAIN

The company looks at the role of TCS in wider sustainability issues, the impact the company has through its customer engagements and its operations, and the role that the company experts play in professional associations, industry forums and other thought leadership activities to address important issues raised by stakeholders.

Key Material Topics[6], Key Concerns[7], Boundary of impact[8] and TCS approach to them are listed below:

Why this is material	Key Concerns	TCS Approach (Page Reference Number)	Boundary of impact	GRI Indicators
Corporate Governance				
Strong corporate governance that considers - stakeholder concerns, engenders trust, oversees business strategies, and ensures fiscal accountability, ethical corporate behavior, and fairness to all stakeholders is core to achieving the organization's longer-term mission.	• Governance Structure and composition	• Pg 35	Internal	102-18 102-16
	• Independence of the Board and Minority Interest	• Pg 36		
	• Avoidance of conflict of interest	• Pg 36		
	• Board oversight	• Pg 36		
	• Disclosure and Transparency	• Pg 36 • Internal financial control systems and their adequacy - Pg 80		
	• Value, ethics and compliance	• Pg 36		
	• Enterprise Risk Management	• Pg 71		
	• Succession Planning	• Pg 37		

[6] 102-47

[7] 102-44

[8] 102-46, 102-47: Boundary of Impact: Internal includes all TCS offices and campuses, 103-1

Why this is material	Key Concerns	TCS Approach (Page Reference Number)	Boundary of impact	GRI Indicators
Business Sustainability				
A financially strong, viable business that is able to adapt to changing technology landscapes to remain relevant to customers and profitably grow its revenues year-on-year is essential to meet longer term expectations of stakeholders.	• Economic performance	• Performance Overview – Pg 67	Internal	201-1
	• Demand sustainability	• Strategy for sustainable growth – Pg 43 • TCS Strategy – Pg 46 • Business outlook – Pg 71		
	• Investments in capability development	• Enabling investments – Pg 44 • Intellectual Capital – Pg 55		
Talent Management				
The company's ability to attract, develop, motivate, and retain talent is critical to business success.	• Talent acquisition	• Pg 49	Internal	401-3
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	• Diversity and Equal opportunity	• Pg 52		403-4
	• Talent retention	• Pg 52		404-1
	• Employee engagement	• Pg 50		405-2
	• Occupational Health and safety	• Pg 53		

Why this is material	Key Concerns	TCS Approach (Page Reference Number)	Boundary of impact	GRI Indicators
Social Responsibility				
The business must be rooted in community and be aligned with the community's larger interests. Any adversarial relationship can hurt the company's ability to create longer term value.	• Local communities • Education and skill development • Job creation • Health and wellness • Environmental stewardship	• Social Capital – Pg 81 • Education – Pg 82 • Skill Development – Pg 84 • Employment and employability – Pg 85 • Occupational Health and Safety – Pg 53 • Natural Capital – Pg 96	External	413-1
Environmental Footprint				
Business sustainability is linked to the planet's sustainability. Moreover, good environmental practices result in greater operational efficiency, adding to financial sustainability.	• Energy consumption • GHG emissions • Water management • Effluents and waste	• The path to energy efficiency – Pg 98 • Managing the carbon footprint – Pg 97 • Water conservation – Pg 99 • Waste reduction and reuse – Pg 100	Internal	302-1 303-3 305-1 306-1

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	103-3 Evaluation of the management approach	99	
GRI 303: Water 2018	303-3 Water withdrawal by source	99	
GRI 305: Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	179	
	103-2 The management approach and its components	97	
	103-3 Evaluation of the management approach	97	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	98	

GRI Standard	Disclosure	Page No.	Omission
GRI 306: EFFLUENTS AND WASTE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	179	
	103-2 The management approach and its components	99	
	103-3 Evaluation of the management approach	99	
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	99	
Material Topics – Social			
GRI 401: Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	179	
	103-2 The management approach and its components	47	
	103-3 Evaluation of the management approach	47	
GRI 401: Employment 2016	401-3 Parental Leave	51	
GRI 402: Labor/Management Relations			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	179	
	103-2 The management approach and its components	47	
	103-3 Evaluation of the management approach	47	
GRI 402: Labor Relations 2016	402-1 Minimum notice periods regarding operational changes	51	

GRI Standard	Disclosure	Page No.	Omission
GRI 403: Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	179	
	103-2 The management approach and its components	53	
	103-3 Evaluation of the management approach	53	
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	53	
GRI 404: Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	179	
	103-2 The management approach and its components	50	
	103-3 Evaluation of the management approach	50	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	50	
GRI 405: Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	179	
	103-2 The management approach and its components	52	
	103-3 Evaluation of the management approach	52	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	51	

GRI Standard	Disclosure	Page No.	Omission
GRI 413: Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	179	
	103-2 The management approach and its components	81	
	103-3 Evaluation of the management approach	81	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	82	

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INDEPENDENT ASSURANCE STATEMENT

The Board of Directors and Management
Tata Consultancy Services Limited
Mumbai, India

Ernst & Young Associates LLP (EY) was engaged by Tata Consultancy Services Limited (the 'Company') to provide independent assurance on its Integrated Report (the 'Report') for the Financial Year 2020-21

The sustainability data reported in the Report is based on Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016 ('GRI Standards') and its subsequent updates in 2018 and 2020; its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Scope of assurance

The scope of assurance covers the following aspects of the Report:

- Data and information related to the Company's sustainability performance pertaining to the GRI Standards listed below, for the period 1st April 2020 to 31st March 2021;
- The Company's internal protocols, processes, and controls related to the collection and collation of specified sustainability performance data;
- Remote Verification of data and related information through consultations at the Company's Head Office in Mumbai as well as desk reviews of the following locations:
  a) Synergy Park, Hyderabad
  b) Gitanjali Park, Kolkata
  c) TCS Centre, Kochi
- Review of data on a sample basis, at the above-mentioned locations, pertaining to the following disclosures of the GRI Standards:
  a) Environmental Topics: Energy (302-1), Water (303-3, 303-5), Emissions (305-1 to 305-5), Waste (306-1, 306-2), and paper consumption (non-GRI);
  b) Social Topics: Information on employees (102-8), Occupational Health & Safety (403-4), Training and Education (404-1), Diversity and Equal Opportunity (405-1), Local Communities (413-1).

Limitations of our review

The assurance scope excludes:

- Operations of the Company other than those mentioned in the 'Scope of Assurance';
- Aspects of the Report and data/information other than those mentioned above;
- Data and information outside the defined reporting period *i.e.* 1st April 2020 to 31st March 2021;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Review of the Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters;
- Data and information on economic and financial performance of the Company
- Review of qualitative statements and case studies in various sections of the Report.

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Assurance criteria

The assurance engagement was planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures were designed to obtain a 'Limited' level of assurance (as set out in ISAE 3000) on reporting principles, as well as conformance of sustainability performance disclosures as per GRI Standards.

What we did to form our conclusions

In order to form our conclusions, we undertook the following key steps:

- Interviews with select key personnel and the core team responsible for the preparation of the Report to understand the Company's sustainability vision, mechanism for management of sustainability issues and engagement with key stakeholders;
- Interactions with the key personnel at the Company's locations of operations to understand and review the current processes in place for capturing sustainability performance data;
- Data assurance through desk reviews covering the Company's corporate office and other operational locations as mentioned in the 'Scope of Assurance' above;
- Review of relevant documents and systems for gathering, analyzing and aggregating sustainability performance data in the reporting period.

Our observations

The Company has demonstrated its commitment to sustainable development by reporting its performance on various material topics for FY 2020-21. The Company has prepared Report having sustainability data in accordance with GRI standards (Core). The Report includes a description of the Company's stakeholder engagement process, materiality assessment and relevant performance disclosures on the identified material topics.

Our conclusion

On the basis of our review scope and methodology, nothing has come to our attention that causes us not to believe that the data has been presented fairly, in material respects, in keeping with the GRI Standards and the Company's reporting principles and criteria.

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants[1]. EY's independence policies and procedures ensure compliance with the Code.

for Ernst & Young Associates LLP,

Chaitanya Kalia
Partner
19.05.2021
Mumbai

[1] International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. This *Code* establishes ethical requirements for professional accountants.

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TCS Safe Harbor Clause

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to, our ability to manage growth, intense competition among global IT services companies, various factors which may affect our profitability, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on cross-border movement of skilled personnel, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property, pandemics, natural disasters and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

IT Services
Business Solutions
Consulting

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