

# REIMAGINING THE ENTERPRISE



Annual Report 2016-17

TATATATA  
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# About TCS

Tata Consultancy Services (TCS) is a global leader in providing information technology services, consulting, and digital and business solutions to large enterprises through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development.

TCS' customer-centricity, deep domain expertise, agility in building new capabilities, and focus on constant innovation and IP development, and execution excellence have resulted in enduring customer relationships. With over **387,000** employees in **55** countries, and a global delivery footprint that covers over **141** solution centers across **19** countries, TCS is among the world's top 10 IT service providers. The Company's compounded annual growth rate (CAGR) since FY 05 is **21.6%**, with industry-leading operating margins.

Founded in **1968** as part of the Tata group, TCS is headquartered in Mumbai, India and is a public limited company, listed on the National Stock Exchange (NSE) and BSE Ltd. (Bombay Stock Exchange) in India.

## About the Theme

TCS has successfully navigated through multiple technology cycles over the last five decades, pivoting and adapting each time to build new capabilities and help our clients realize the benefits of these new technologies. Our responsiveness, agility, and adaptability to change have been core to our longevity.

The theme for this year's Annual Report, Reimagining the Enterprise, captures the depth and profoundness of the transformation that enterprises – both TCS and our customers – are going through in the Digital age.

In the thematic section, we have showcased a few examples of customers partnering with TCS to reimagine parts of their businesses to become data-driven, smarter, and agile to deliver a superior experience for their customers. Alongside, we have interviews with key leaders in TCS describing the change we are executing within the organization – at scale and with agility – to lead in the Digital age.

## Recent Annual Report Themes



FY 2016: Shaping the Future



FY 2015: Default is Digital



FY 2014: One TCS

The Annual General Meeting will be held on Friday, June 16, 2017 at Birla Matushri Sabhagar, Sir V. T. Marg., New Marine Lines, Mumbai 400020, at 3:30pm. Towards preserving our environment, printed copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

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# Board of Directors







(Seated – Left to Right)

**V Kelkar**  
Director

**Aarthi Subramanian**  
Executive Director

**N Chandrasekaran**  
Chairman

**Rajesh Gopinathan**  
Chief Executive Officer  
& Managing Director

**C M Christensen**  
Director

(Standing – Left to Right)

**A Mehta**  
Director

**V Thyagarajan**  
Director

**N G Subramaniam**  
Chief Operating Officer  
& Executive Director

**O P Bhatt**  
Director

**R Sommer**  
Director

**I Hussain**  
Director

# Management Team

## Corporate



**Rajesh Gopinathan**  
Chief Executive Officer  
& Managing Director



**N G Subramaniam**  
Chief Operating Officer  
& Executive Director



**V Ramakrishnan**  
Chief Financial Officer



**Ajoyendra Mukherjee**  
Global Head,  
Human Resources



**Aarthi Subramanian**  
Global Head,  
Delivery Excellence,  
Governance & Compliance



**Rajendra Moholkar**  
Company Secretary



**Pradipta Bagchi**  
Communication



**K Ananth Krishnan**  
Research & Development



**Vishwanathan Iyer**  
Legal

## Geography Heads



**Surya Kant**  
North America,  
UK & Europe



**Henry Manzano**  
Latin America



**Ravi Viswanathan**  
India, Middle-East & Africa



**Girish Ramachandran**  
Asia Pacific



**AS Lakshminarayanan**  
Japan

## Strategic Growth Unit Heads



**Venkateshwaran Srinivasan**  
BaNCS



**Venguswamy Ramaswamy**  
iON

## Industry Service Unit Heads



**K Krithivasan**  
Banking &  
Financial Services



**Susheel Vasudevan**  
Banking &  
Financial Services



**Ramanamurthy Magapu**  
Banking &  
Financial Services



**Suresh Muthuswami**  
Insurance & Healthcare



**Pratik Pal**  
Retail, Travel &  
Consumer Products



**Debashis Ghosh**  
Life Sciences,  
Manufacturing & Energy



**Milind Lakkad**  
Manufacturing



**Kamal Bhadada**  
Communication, Media  
& Information Services

## Service Unit Heads



**Krishnan Ramanujam**  
Enterprise Solutions &  
Global Consulting Practice



**Regu Ayyaswamy**  
Engineering &  
Industrial Services



**Dinanath Kholkar**  
Business Process Services



**P R Krishnan**  
IT Infrastructure Services

A portrait of a middle-aged man with short, graying hair and glasses. He is wearing a dark navy blue suit jacket over a white dress shirt and a blue patterned tie. He is standing with his hands clasped in front of him, looking directly at the camera with a slight smile. The background is a blurred office interior with large windows.

## Letter from the Chairman

Global business is transitioning to a new age where technology is playing a central role in the growth of every industry by delivering a superior customer experience anytime, anywhere. The power of a business now depends on its ability to manage the transition from process maturity to data maturity.



## Dear Shareholders,

It is with a great sense of pride that I write to you after being appointed as the Chairman of this exceptional Company. In the past seven years, when I had the privilege of leading this organization in an executive capacity, it has been an exhilarating journey.

The commitment and passion of a diverse, global employee base helped your Company exhibit strong leadership during this period, against the backdrop of immense volatility in our key markets and the world economy. Amidst the rise of new Digital technologies, your Company remained focused on staying relevant to customers, employees, and the society at large, while delivering significant returns to shareholders.

My thirty years with TCS have given me a ringside seat to the evolution and growth of your Company. I have witnessed your Company's ability to emerge from every technology cycle stronger than ever and be in a position to capture a greater share of market opportunities.

Your Company is in a growth industry where the demand for technology continues to expand. In earlier decades, IT played a key role in supporting business. The Internet era then saw business strategy being defined by technology strategy. As a result, technology was embedded into business. Today we are entering a new world where technology is now defining what the business can or should do.

The global business is transitioning to a new age where technology is playing a central role in the growth of every industry by delivering a superior customer experience anytime, anywhere. The power of a business now depends on its ability to manage the transition from process maturity to data maturity. The Internet of Things (IoT) is about capturing data from machines and sensors; cloud

is helping make the data available at scale as and when needed; automation and artificial intelligence are helping sift through enormous quantities of data; and analytics is helping derive insights and make useful predictions from that data. Businesses have to change and understand the impact and influence of these technologies. Those who can do it faster and smarter will be the leaders in the new economic world.

Your Company is once again at the forefront of this transformation. TCS has made significant investments in driving innovation in Digital, as well as by building new capabilities and skills in technologies like cloud, artificial intelligence, automation, and analytics. It continues to transform its engagement models to fit the customer's needs. To succeed in the Digital age, customers need the right technology partners with the strategic commitment and sustained investments necessary to stay relevant to their business. With its focus on long-term relationships, your Company is well placed to help customers leverage these technologies by being able to deploy these on a global scale in an easy-to-consume, experiential, and all-pervasive environment.

In the Tata group, our ethos is shaped by the core belief that our founder articulated almost hundred and fifty years ago that the community is not just another stakeholder of business, but the very purpose of its existence. That ethos guides all our actions and initiatives. Your Company has focused on helping communities in three core areas: education and skills, health and wellness, and environmental sustainability. This concentration of effort on a few areas has allowed us to make a bigger impact in those chosen areas. I am delighted to see each of those programs scale up significantly to start making a difference to the targeted communities.

As our business transitions into a new and exciting phase of growth and innovation, the future of your Company could not be in better hands than under a dynamic new executive leadership team led by Rajesh Gopinathan as the Chief Executive Officer and Managing Director, ably supported by N G Subramaniam as the Chief Operating Officer and V Ramakrishnan as the Chief Financial Officer, together with a strong team of senior business leaders. The new team will continue to drive an organizational culture that embraces change, believes in growing talent, and invests ahead of time, anticipating the future needs of our customers.

With the new leadership team and huge opportunities ahead, I am very excited about the future and sincerely believe that TCS' best days are yet to come.

On behalf of the entire Board of Directors of Tata Consultancy Services, I would like to thank you – our valued stakeholders – for the continuing confidence you have placed in the organization.

Warm regards,  
**N Chandrasekaran**  
 Chairman



## Letter from the CEO

During the past few months, I have met many customers, each of them at different stages in their Digital transformation journeys. Every one of them is looking at further accelerating those programs and becoming more technology-driven. Speaking with the CXOs of these organizations, I was humbled and re-energized, by the uniformly high esteem in which they hold your Company.

## Dear Shareholders,

FY 2017 was a year of leadership transitions, globally, and in your Company too. In January this year, N Chandrasekaran (Chandra), who led Tata Consultancy Services as the Chief Executive Officer and Managing Director for the past seven years, stepped down from his executive role to become the Chairman of the Board.

In the seven years under Chandra's leadership, your Company's stellar financial performance made it a bellwether, with industry-leading metrics in every respect. Revenue grew almost four-fold, from ₹ 30,029 crore in FY 2010 to ₹ 117,966 crore in FY 2017, a compounded annual growth rate of 21.6%. Our operating profit margin – the highest in the industry – stayed stable in the 26-28% band throughout this period.

Most importantly, the customer-centric vision to make early, far-sighted investments in emerging technologies allowed us to gain a leadership position in the Digital space, positioning us well for the future.

On behalf of the shareholders, the Board of Directors, and all my colleagues at TCS, I would like to thank Chandra for the executive leadership, vision, and mentorship he provided.

In FY 2017, your Company delivered a steady performance, with a reported revenue of ₹ 117,966 crore, growing 8.6% over the prior year. TCS continues to be the most profitable Company in the IT services industry, with a net profit of ₹ 26,289 crore, which is a net margin of 22.3%.

In keeping with our tradition of directing surplus cash to shareholders, the Board has recommended a final dividend of ₹ 27.50. Including the three interim dividends paid earlier this fiscal, the total dividend payout in FY 2017 amounts to ₹ 47 per share, a payout ratio of 42.0%. In addition to that, your Company announced a proposal to buy back up to 56,140,351 equity shares of the Company,

at ₹ 2,850 per share, for an aggregate amount not exceeding ₹ 16,000 crore.

## Business Performance

From a segmental point of view, revenue from the Banking, Financial Services, and Insurance industry grew close to the Company average. With the exception of Retail and HiTech, all the other industry verticals grew in double digits over the prior year.

Our investments in geographies are paying off very handsomely, with all regions reporting considerable growth on a full year basis. Continental Europe, Latin America, and Middle East-Africa grew in the mid-teens, while the other geographies grew in the 6 to 10% range on a constant currency basis. Among the service lines, I'm happy to report that our Enterprise Solutions and Consulting business crossed \$3 Bn in revenue this year, while our BPS business crossed the \$2 Bn milestone.

Digital technologies account for most of the net new IT spending by customers today. Your Company continues to fare very well in this area, emerging as the preferred partner for many large enterprises in their Digital transformation journeys. Over 55% of our clients engage with us today on Digital Services, and that percentage is much higher among larger clients. Digital revenue crossed the \$3 Bn milestone this year, making up 16.7% of revenue and growing 28.8% over the prior year.

In FY 2017, your Company was the technology partner of choice for many leading corporations across the world in their business transformational and Digital reimagining journeys. We helped the world's largest bauxite mining and aluminium manufacturing company split into two entities by engineering a flawless IT separation. One of the largest healthcare organizations in the world chose TCS to standardize and simplify its vast and complex supply chain footprint. We helped one of the world's largest banks identify and publish some of the critical

APIs to their back-office systems that account for 85% of the bank's transactions, inviting the global developer community to build innovative new apps that extend the bank's services to newer customer segments.

The key differentiators that enable TCS to strategically partner with these large global progressive corporations are our deep contextual knowledge of customers' business models, functions, processes, and systems; our proactive approach to innovation; and our commitment to delivery excellence. At the core of all this is our ability to attract, develop, and retain talent.

## People

Your Company's talent management practices continue to be a benchmark in the industry. In FY 2017, we added about 79,000 employees on a gross basis, ending the year with over 387,000 employees across 130 nationalities. Women make up 34.7% of our workforce.

Our local hiring programs in various geographies are progressing well. In FY 2017, we recruited over 11,500 employees outside India, including students from leading engineering campuses and business schools in the US. This has allowed us to bring down our dependence on work visas significantly.

Your Company has made significant progress in reskilling the workforce on newer technologies. Our Digital competency development program has resulted in over 200,000 TCS associates getting Digitally trained, possessing nearly 600,000 competencies. We are experimenting with ever more innovative ways to accelerate Digital learning. One such recent initiative is a mobile-first app that uses gamification to deliver an immersive learning experience.

Our progressive policies, culture of empowerment, and continual investments in people have historically resulted in industry-best retention rates. In FY 2017, our attrition rate in the IT Services

segment was 10.5%; once again, the lowest in the industry.

### Research and Innovation

A significant part of our innovation effort this year was focused on harnessing the power of artificial intelligence (AI) and automation. This includes exciting new areas such as conversational systems, natural language processing systems, IoT platforms, robotics, and image processing capabilities.

Your Company has filed more than 3,350 patent applications to date, with 493 filings in FY17. It has been 478 granted patents as of March 31, 2017. In addition, TCS Researchers presented 350+ papers in premier conferences.

The work we have done for our banking clients on the Blockchain technology has established us as a credible player in this emerging space. The Blockchain platform built by our Research and Innovation group has now been integrated into the TCS BaNCS software.

In addition to the in-house effort, we also leverage the innovation capabilities of our technology partners, startups, and academic alliances. Our Co-Innovation Network (COIN™) expanded in FY 2017 to cover over 150 ecosystem partners, 2,000 startups, and 27 partnerships in academia.

All our products and platform offerings – industry-focused ones such as TCS BaNCS, Optumera™, Advanced Drug Development platform, and HOBS, as well as horizontal and technology platforms such as ignio™, TAP™, iON, CHROMA™, and TCS MasterCraft™ – are achieving new milestones in terms of customer adoption.

### Agile, Cloud, and Automation

Competitive differentiation in the Digital world will come from enterprises becoming smarter, faster, and lighter. In terms of technology imperatives, this requires adopting distributed and location-independent Agile services, embracing a cloud-first strategy, and deploying automation at every level. TCS is aligning its

internal initiatives, investments in capability development, and solution offerings to these three focus areas.

### Beyond Business

Your Company has a long tradition of being a responsible corporate citizen in all the communities we work with across the world. The guiding principle of TCS' CSR programs is "Impact through Empowerment" through interventions in Education, Health and Environment.

I am proud to note that in FY 2017, TCSers volunteered over 6.9 lakh hours for social and environmental causes in their respective communities.

The guiding philosophy behind our CSR programs is to make an impact on communities by empowering individuals. Many of our programs are focused on imparting education and skills which help individuals become productive.

Our long-running Adult Literacy Program, which uses computers to impart functional literacy, now supports nine Indian languages and continues to expand its reach. In FY 2017, this program alone reached 126,000 persons. Other programs in India, like BridgeIT and our BPS and IT Employability Programs help individuals from underprivileged backgrounds find employment and become catalysts of change in their communities.

The TCS Research Scholarship Program is now in its thirteenth cycle, covering 245 PhD scholars across 33 institutes across India. 55 persons have obtained their PhD through this program.

In North America, our flagship program goIT and other initiatives to promote STEM education and careers among students, continue to gather pace. In FY 2017, our various programs touched the lives of over 17,600 students. I am very happy to note that the Million Women Mentors (MWM) initiative which we support in the US has crossed the milestone of 1 million pledges to mentor girls and young women in STEM education and careers.

We launched a new program in the US called 'Ignite My Future in School' in partnership with Discovery Education. It will engage over 20,000 teachers and help prepare over 1 million students over the next five years in 10 US cities for Digital careers.

In the field of healthcare, we continue to support the Tata Medical Center. TCS initiated the Outpatient Department Transformation (TransOPD) at TMC for a better Patient Experience. The TCS Fit4Life continues to energize employees and increase their wellness. In FY 2017, employees spent over 3 million hours logging 13.5 million kilometres of physical exercise and activity.

I am delighted that your Company has been recognized and rewarded across multiple dimensions by industry peers and stakeholders. TCS is among the Top Three Global Brands in IT Services. TCS has been recognized as the Global Top Employer across 27 countries. TCS retained the No. 1 position in Europe for customer satisfaction for the fourth consecutive year.

During the past few months, I have met many customers, each of them at different stages in their Digital transformation journeys. Every one of them is looking at further accelerating those programs and becoming more technology-driven. Speaking with the CXOs of these organizations, I was humbled and re-energized, by the uniformly high esteem in which they hold your Company.

The business opportunity for us is huge, and we are well placed in terms of industry expertise, technology capabilities, customer relationships, people, and execution model to participate in this opportunity and continue to create value for all our stakeholders. I thank you all for your continued support and encouragement.

With Warm Regards

Yours Sincerely

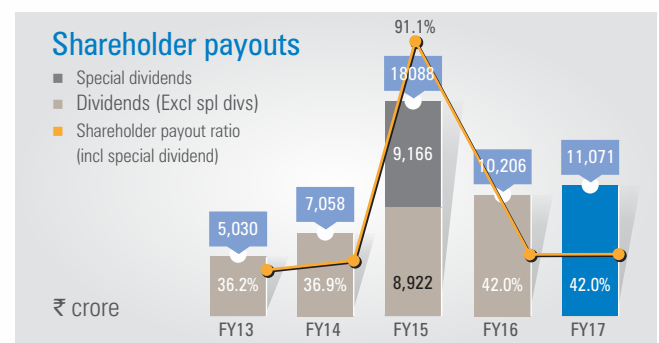
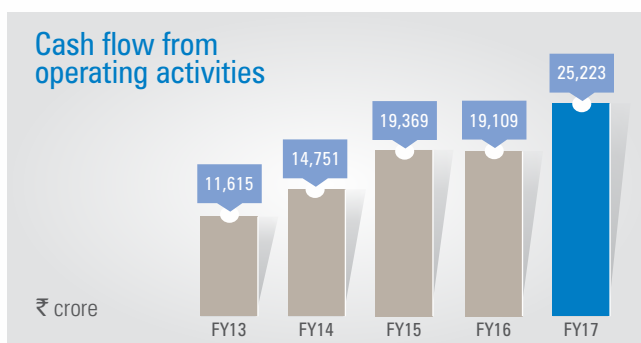
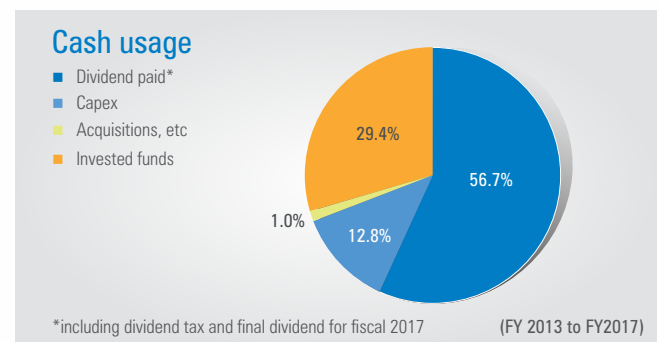
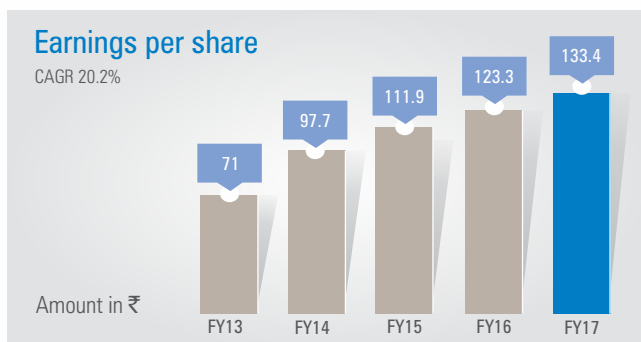
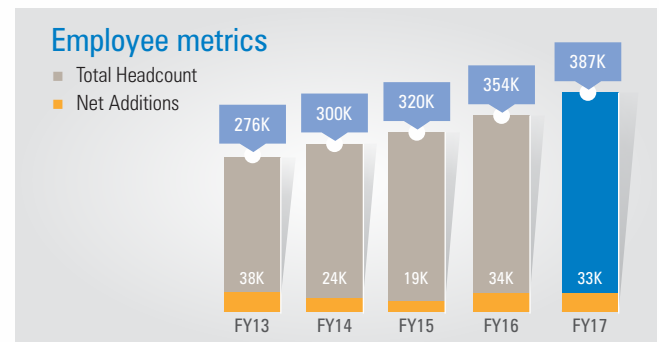
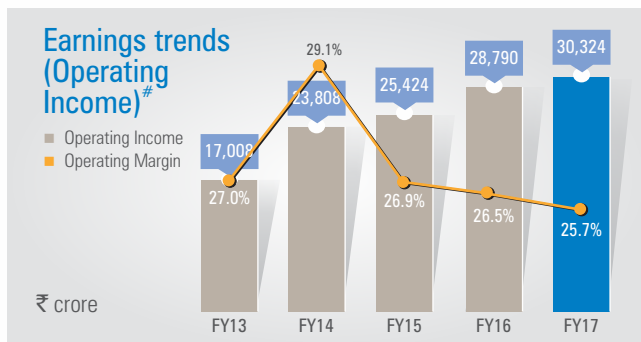
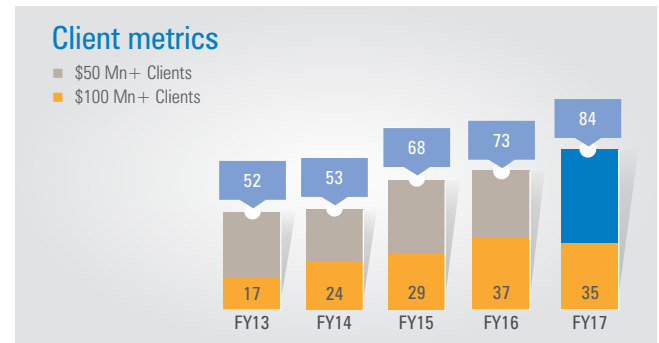
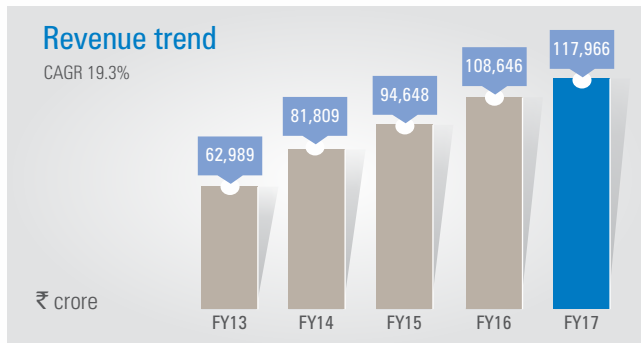
**Rajesh Gopinathan**

Chief Executive Officer and Managing Director

April 18, 2017



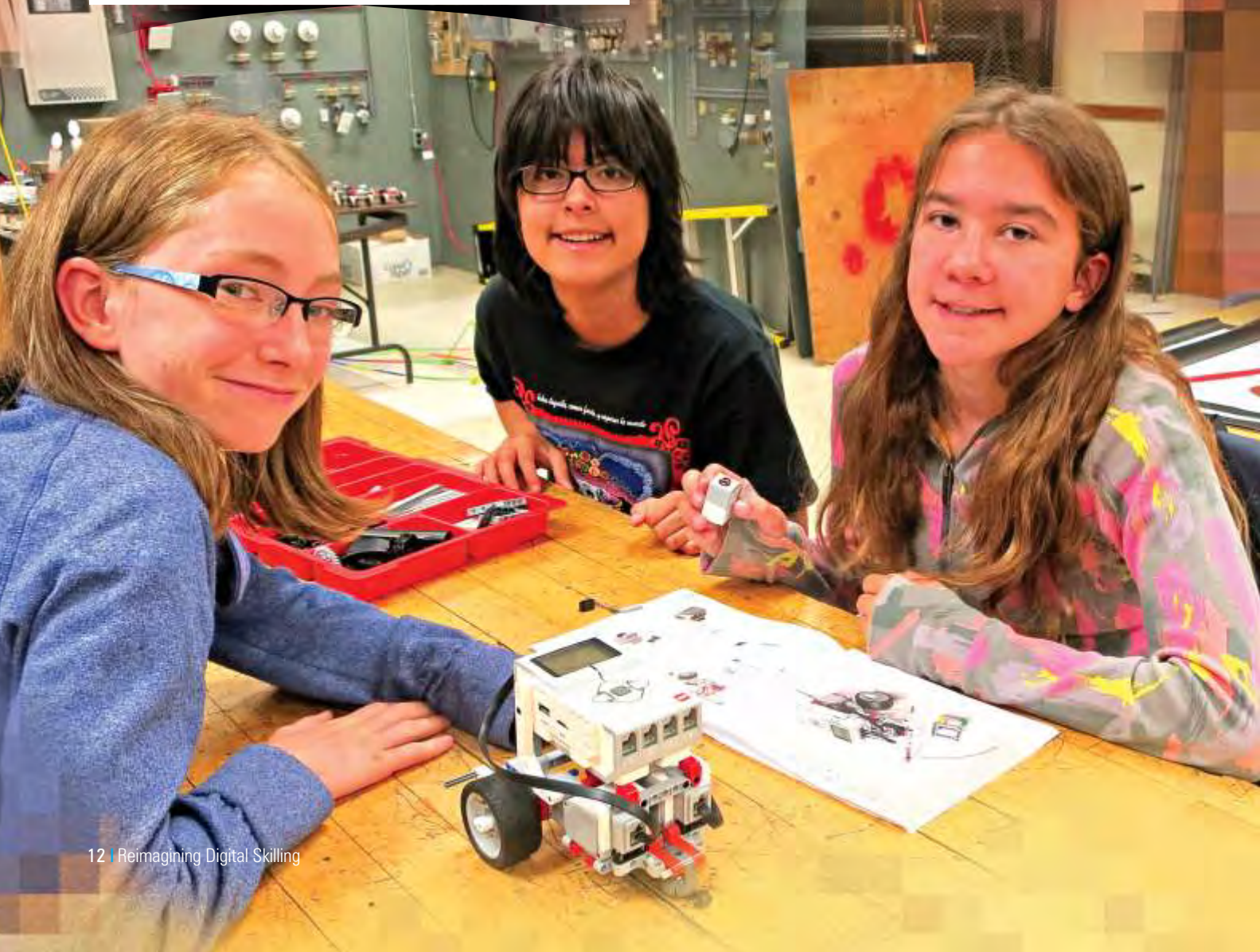
# Performance Highlights



<sup>#</sup> The Company transitioned into Ind AS with effect from April 01, 2015. The IFRS operating profit being in line with the Ind AS operating profit, IFRS numbers have been considered for prior years for continuity purpose in the above chart instead of the Indian GAAP numbers that were actually reported in those financial years. Also note that FY 2015 numbers exclude a one-time employee reward of ₹ 2,628 crores paid by the Company.

# Reimagining Digital Skilling

TCS is working at the grassroots level to address the shortage of STEM skills through goIT—our flagship student engagement program in North America. goIT seeks to spark an interest in technology among middle-school students through design thinking, mobile app development, and mentorship from TCS employee volunteers. Students work in teams to identify problems, generate possible solutions, wireframe their prototypes, develop and test their solutions, and present their work to peers and judges. Each TCS volunteer completes extensive training, covering youth psychology, design thinking, educational systems, and tools for mobile app development to aid their preparation as a mentor. Till date, we have engaged over **13,000** middle and high school students across **50** cities in US and Canada. More than half of them reported an increased interest in STEM disciplines, and **86%** agreed that the program encouraged them to consider a STEM career.







## Reimagining Elderly Care

TCS, along with Singapore Management University, is reimagining elderly care in Singapore, using remote-monitoring technology. The scalable solution allows senior citizens living alone to receive prompt care, unobtrusively. Motion sensors and connected medication boxes embedded in the homes of the elderly alert caregivers in the event of inactivity for unusual periods of time, and warn them if prescribed medication is not taken regularly. The solution allows senior citizens to live a dignified and independent lifestyle.

# Reimagining Energy Management

Large enterprises incur significant energy costs in maintaining comfortable ambient conditions at their workplaces. TCS has reimagined energy management with its cloud-based energy-management-as-a-service platform that leverages TCS IP, IoT, machine learning, and predictive analytics to monitor energy consumption on a real-time basis, detect anomalies, and identify ways to reduce consumption. The largest deployment of this platform has been across TCS' facilities in India – over 150 of them, housing 280,000 employees. By using real-time data and intelligent decision support, TCS saved 26.6 million kwh of power last year and kept electricity spend flat year-on-year across the connected facilities, despite a 15% increase in seating capacity.

150 FACILITIES IN INDIA

35 MILLION SQ. FT. AREA

280,000 ASSOCIATES

13,000+ ENERGY AND OCCUPANCY SENSORS

20,000 TONNES ANNUAL CARBON SAVING



# Building the TCS Brand

The TCS brand has been built on a solid foundation of trust that we have established with our stakeholders over decades. Our customer-centricity and focus on execution excellence is recognized by customers who continue to reward us with more business every year. Third party surveys show that we are an industry benchmark in customer satisfaction – we have been ranked no 1 in customer satisfaction in Europe four years in a row. Likewise, our employee-friendly workplace and HR policies have resulted in consistently high employee retention levels. We have been ranked Top Employer in the US and other major markets every year for the last few years. On the investor front, our disclosure levels, transparency, accessibility and track record of dividend payouts have gotten us top place in local and regional investor polls. We crossed an important milestone in our brand building journey in FY 2017. In a formal brand valuation and ranking exercise, TCS broke into the list of the Top 3 brands in the IT services industry globally.

## Brand



## Employee



## Customer



## Investor

Institutional Investor's 2016 All Asia Executive Team recognized TCS as the Most Honored Company Asia:

- Best CEO
- Best CFO
- Best IR Professional
- Best IR
- Best IR Website

TCS' #DigitalEmpowers brand campaign, launched at the World Economic Forum in Davos in January 2017, won the 'Creative of the Future' award from the World Communications Forum.



# Reimagination across Industries

N G Subramaniam,  
Chief Operating Officer

The explosion of possibilities brought about by Digital technologies is changing the relationship between business and technology, driving Digital reimagination across industries, structurally increasing technology spending, and opening up new growth opportunities for TCS

## Every new technology historically changed the way work got done. What makes Digital so different?

What makes Digital different is that it empowers people and businesses to get things done interactively and instantaneously. There is an unprecedented volume, variety, and velocity of innovation that is leading to revolutionary change.

Newer business models are based purely on technology, are asset-light, and yet pose a serious challenge to incumbents. These virtual entities have used Digital technologies to set very high standards of customer experience, changing the equation between business and technology.

Historically, technology was an enabler of business and a source of efficiency. Today, Digital technologies are defining business, and are an active driver of competitiveness, business models, and even business viability.

Digital is one diverse, yet inter-operable, constantly evolving family of technologies enabling continuous availability of data, systems, applications, and business processes. Such an architecture allows enterprises to completely

reimagine different aspects of their businesses, and you will see some of those reimagination stories in this report.

## How do brick and mortar enterprises reimagine themselves?

Digital reimagination is all about looking at the end objective of delivering convenience and simplicity of interaction and working backwards, examining every link or hand-off in the value chain, and figuring out what needs to be done differently to enable that outcome.

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**"We are advocating three common themes to customers: Agile, Automation, and Cloud. All three are critical building blocks for any organization's Digital transformation."**

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The TCS Digital Reimagination™ framework is a proven way to structure that exercise, taking up the business model, products and services, customer segments, channels, business processes, the workplace, and the customer / employee experience, and looking at how Digital can make a difference in each of them.

## What is the roadmap that you would prescribe for an enterprise seeking to Digitally transform itself?

With the objective of delivering a simple, yet great customer experience, every organization has to work on three broad areas, all at the same time.

First, there has to be a solid foundation or what we call a Digital spine, which is made up of three parts – a cloud-first strategy that makes infrastructure, applications, and data shareable; then APification or building a services fabric that will allow business services to be consumed internally and externally at will; and finally, renovation of core systems and automation frameworks as necessary.



The second area is intelligence. Organizations have to learn to work with large volumes of real-time data and move to insights-driven decision making. Deployment of Big Data analytics, IoT, AI-based personalization and autonomous operations are examples of that.

Lastly, there is the front-end enterprise and consumer apps. Immersive technologies, consistent data representation, customer experience across channels and touchpoints – all personalized, and backed by intelligence and insights – are what go towards making the customer feel understood.

#### Why do clients pick TCS to partner them in their reimagination journey? What does TCS bring to the table?

I think the number one reason is contextual knowledge. This is a deep understanding of our customers' businesses, their processes, and the underlying systems and IT environment. Having worked with them for years, we possess a granular understanding that we have been able to successfully institutionalize and translate into superior quality work.

Secondly, we possess greater scale in Agile and Digital technologies, having spotted these trends sufficiently early and invested in reskilling our workforce. Digital programs are growing in scope and size, and customers can ill afford to work with an IT partner who cannot meet their time-to-market imperatives.

Third, our investments in research and innovation have delivered innovations that find application in different industry verticals. The work in AI, for example, results in intelligence getting embedded into boiler control systems and in investment advisory chatbots. We have been showcasing these innovations to our customers, helping seed ideas for their own reimagination journeys.

Customers appreciate that our full services capability backed by a rich portfolio of frameworks, products, and platforms allows us to craft comprehensive Digital solutions which are

seamless, and for which TCS takes full accountability and ownership.

Our delivery engine is seen by our customers and even peers as the best in the industry. Our unwavering focus on quality results in superior outcomes and the experience of certainty which shows through in how we top customer satisfaction surveys year after year.

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**"Our services are getting embedded into their core products and services and are a source of competitive differentiation. This is a huge structural change. You have new generation, intelligent cars whose parking-assist feature or intelligent cruise-control feature is programmed by us."**

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#### What are the key themes you are advocating to customers for FY 2018?

Rajesh [Gopinathan] and I met over 75 customers across the world in the last couple of months. It was clear from those interactions that every customer has a transformative agenda, and they are looking for help navigating through real life challenges in accomplishing that agenda.

Looking at those imperatives, we are advocating three common themes to customers: Agile, Automation, and Cloud. All three are critical building blocks for any organization's Digital transformation.

Location-independent agility at scale, that is the ability to orchestrate Agile development across globally distributed teams is very critical for enterprises undertaking large Digital programs where time-to-market is critical.

Automation is the other essential item on every CXO's agenda. With budgets remaining constrained, one way to fund the transformation

agenda is by making current operations more efficient through greater automation – ranging from simple transaction enrichment, straight-through processing, and robotic process automation, to insights-driven automation.

Lastly, we strongly advocate cloud adoption and cloud-first strategies. Virtualization of assets is key to unlocking value within the enterprise. Computing power, storage, software, data analytics – all lend themselves to cloud-based models that deliver greater flexibility, agility, and efficiency.

#### How is Digital shaping the future opportunity for the IT services business?

We are seeing increased spending by companies across industry verticals on Digital technologies. Our services are getting embedded into their core products and services and becoming a source of competitive differentiation. This is a huge structural change. You have new generation, intelligent cars whose parking-assist feature or intelligent cruise-control feature is programmed by us.

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**"Our delivery engine is seen by our customers and even peers as the best in the industry. Our unwavering focus on quality results in superior outcomes and the experience of certainty which shows through in how we top customer satisfaction surveys year after year."**

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All these structural changes are expanding the overall spending on technology.

Within that spend, there is a greater propensity to outsource because the shelf life of technologies is reducing, and it is hard to predict how long a certain technology will stay relevant. We are therefore positive on our longer-term growth prospects. ■

# Reimagining Ecommerce

Dick's Sporting Goods (DSG), a leading omni-channel sporting goods retailer in the United States is reimagining its e-commerce strategy. They have chosen TCS as their partner in this journey, recognizing our thought leadership, expertise, and experience in developing omni-channel solutions in retail. TCS helped DSG insource their e-commerce operations onto their proprietary platform, using an Agile delivery model for quicker time to market, and relaunch dicks.com on time and within budget. The new e-commerce platform will provide DSG greater agility, easier access to data, better leverage of cross-channel data, and deliver a differentiated online experience for their customers. It will further accelerate DSG's e-commerce business growth and deliver superior profitability.







# Reimagining Boiler Controls

Mitsubishi Hitachi Power Systems is reimagining power plant operations, equipping operators with real-time adaptive control and actionable insights to help them optimize performance. They chose TCS to help build an AI-based boiler control system for efficiently regulating coal-fired thermal power plants. The system brings the power of Big Data analytics and artificial intelligence to check nearly **250** parameters and over **10,000** combinations to tune the boiler for maximum efficiency, depending on the kind of coal. More efficient combustion from the new system not only reduces costs for the plant operators but also cuts NOx emissions.



## Reimagining Research and Innovation

K Ananth Krishnan, CTO

Digital technologies have opened up exciting new avenues for research and innovation. By aligning our efforts in this space with customers' business imperatives and leveraging the start-up ecosystem, TCS' Research and Innovation is seeding the reimagination journeys of our customers across industries.

### How has TCS' approach to research and innovation changed in the Digital world?

The Digital world has opened up completely new avenues for TCS Research and Innovation.

The innovation opportunity lies in two broad areas. First, the Digital reimagination of industry domains and society at large. With its stakeholders increasingly becoming digital, the industry is reimagining itself to become part of the experiences they seek. Businesses today aim to deliver unique, curated experiences to stakeholders in every value chain — to the customer and to the Digital citizen, employee, partner, and regulator.

Secondly, the industrialization of computing has set new benchmarks for scale, reliability, security, and cost. Enterprises have an enormous opportunity to innovate in all these areas.

Research is catalyzed by Digital technologies as they make large-scale data capture, referencing, simulation, and modeling easier. There is exciting growth at the intersections of computing and multiple sciences. For instance, at the cusp of computing and human behavior, we are studying interactions in the spheres of work, health, business, entertainment, and society. In life sciences, we study a wide spectrum of work related to genomics, metagenomics, and health. In physical sciences, there are dramatic advancements in the use of

computation for design of materials and related engineering processes.

### AI is the buzzword these days. What is TCS doing in this space?

Artificial intelligence algorithms aim to solve problems by learning, or creating rules, and can tackle a very large number of variables and uncertainties. AI today is being applied in the consumer domain like image and speech recognition and natural language processing. We are applying AI in enterprise scenarios through Ignio™, our neural automation product for enterprise IT operations.

We are also working on a range of conversational and visual perception systems, augmented reality

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"Research is catalyzed by Digital technologies as they make large-scale data capture, referencing, simulation, and modeling easier. There is exciting growth at the intersections of computing and multiple sciences."

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applications, speech biometrics, and cognitive optimization. We have also been working with manufacturing units to help predict machine failures for condition-based maintenance and to intelligently control manufacturing or utility operations for improved efficiency. We are also exploring the role of 'humans in the loop' in the context of enterprise AI.

### Tell us about some of your initiatives to align your research and innovation effort with customers. Can you talk about the outcomes from some of these?

Our Innovation Evangelists connect TCS Research and Innovation, customers, and business stakeholders through various platforms. These include focused co-innovation events and workshops that help teams jointly identify opportunities and shape solution ideas through use cases. Customer-centric Innovation Days have become a strong platform for TCS to connect to customer leadership. Customers request Research and Innovation solutions across domains, sometimes resulting in research collaborations. A recent one was for energy demand forecasting for a utility company. Another outcome is technology proofs of concept, like the one we did for a capital markets customer who wanted these in themes ranging from operational efficiency to customer

experience. We have also worked on new business ideas like contactless payment for an untapped segment of a financial services company.

#### How is TCS engaging with start-ups?

TCS' Co-Innovation Network (COIN™) has been connecting with start-ups, venture capitalists, and academia for over a decade. The COIN footprint has expanded globally. With COIN's maturity, more engagements, faster connects, and standard processes have been forged. We are able to engage with entities large and small in win-win partnerships. TCS' ability to orchestrate an external network to bring in new technologies at lowered risk is seen as a valuable capability by customers and partners.

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"Customer-centric Innovation Days have become a strong platform for TCS to connect to customer leadership. Customers request Research and Innovation solutions across domains, sometimes resulting in research collaborations... technology proofs-of-concept... [and implementing] new business ideas."

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#### Tell us about TCS' relationships with academia.

While we have partnered several notable institutes around the world in new technology research, this year's highlight has been the India Academic Alliance story. We have signed comprehensive research agreements with the Indian Institute of Science (IISc), the Indian Statistical Institute (ISI), five premier Indian Institutes of Technology (IITs), two Indian Institutes of Information Technology (IIITs), and other premier technology institutes. Outcomes from our academic alliances have been encouraging. For instance, the robot created by TCS and IIT-Kanpur did very well in the 2016 Amazon Picking Challenge, beating many established players. Our Research Scholar program is the largest corporate support program for PhDs in Computer Science and related disciplines in India. ■



"With ignio™, we are taking intelligent automation to the highest level."

Prof Harrick Vin, VP & Global Head, Digitate, a TCS venture, talks about ignio™.

#### What is different about the current wave of automation? How is this captured in ignio™, TCS' cognitive automation product for IT operations?

The software industry has been driving automation for several decades. In fact, the word software is synonymous with automation. Traditionally, automation has been designed to be 'robotic'; it simply performs actions that it has been programmed for.

With ignio™, we are taking automation to the highest level where the 'software' itself becomes intelligent. Instead of simply replaying what it has been programmed for, ignio™ emulates the human brain and its reasoning processes. ignio™ has the ability to self-learn and understand the enterprise context. It can decipher what is happening and why, predict what is likely to happen in the future, and prescribe actions to handle them. Finally, much like humans, it can construct without explicit instructions, end-to-end procedures for performing complex activities on-the-fly based on the context and simple reusable skills. The combination of these features allows ignio™ to take responsibility for running enterprise IT environments autonomously.

#### What has triggered this sudden interest in AI?

AI or machine learning techniques have been around for decades and have been improving incrementally over the years. The current quantum leap towards intelligent automation is driven by three basic trends. The first is hyper-instrumentation. Everything – people, technologies, household appliances or even industrial systems – is getting heavily instrumented and monitored, providing us with enormous amount of data and unprecedented visibility into their behavior and operations. The second is software-defined everything, or to put it

differently, there's an app for everything! This makes it possible to perform actions on anything through software. Third, there is on-demand availability of abundant compute capacity from the cloud.

Combine these three trends, and you have a strong foundation for intelligent automation. You have access to data about every system, you have the compute capacity at your fingertips to process such large data volumes and derive insights, and you have the ability to operationalize these insights through software (the app!).

#### When you unleash a new automation product like ignio™ in a customer's production environment, how are the risks managed?

We have introduced several checks and balances in the design of ignio™ to ensure safety and security. ignio™ performs only the activities that it is allowed to do and everything is logged and auditable. To prevent accidental errors, we have also designed an intelligent filter, called an 'action firewall', which blocks actions that are either not allowed or deemed to have high impact. Lastly, we implement ignio™ using incremental rollout sprints, to build confidence and trust.

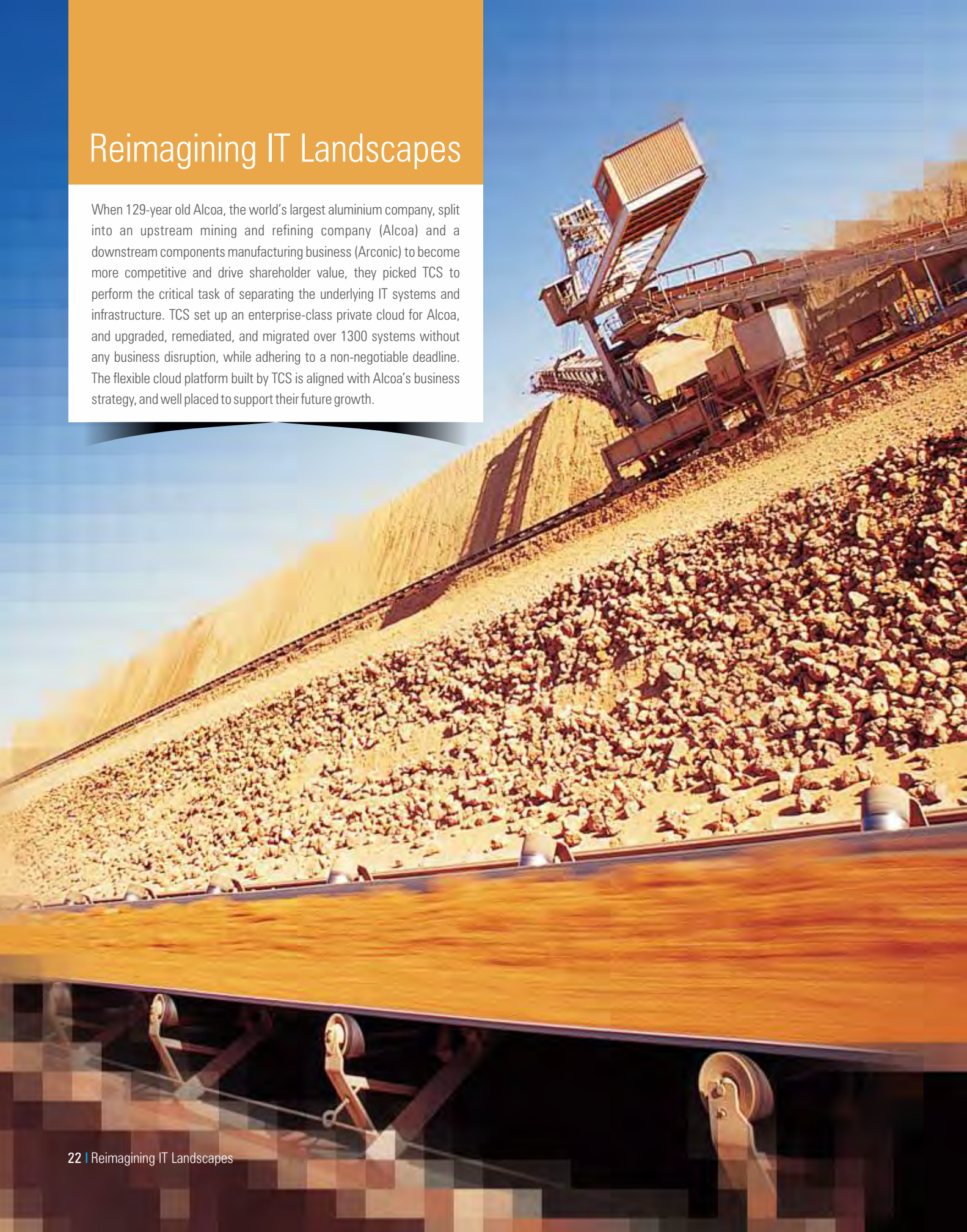
#### How does ignio™ help our customers?

ignio™ augments human intelligence and empowers people to do more making enterprises smarter, faster and more efficient. Our experience to-date indicates that ignio™ can reduce business-impacting outage duration by 80-90% through proactive actions and autonomous self-healing; reduce the time taken to perform complex activities by 90-95%, and eliminate 40-50% of manual effort. These benefits will keep increasing as we train ignio™ to take on more and more. ■



# Reimagining IT Landscapes

When 129-year old Alcoa, the world's largest aluminium company, split into an upstream mining and refining company (Alcoa) and a downstream components manufacturing business (Arconic) to become more competitive and drive shareholder value, they picked TCS to perform the critical task of separating the underlying IT systems and infrastructure. TCS set up an enterprise-class private cloud for Alcoa, and upgraded, remediated, and migrated over 1300 systems without any business disruption, while adhering to a non-negotiable deadline. The flexible cloud platform built by TCS is aligned with Alcoa's business strategy, and well placed to support their future growth.





# Reimagining Business Models

In a data- and content-driven Digital world, BT, UK's leading telecom company, reimagined its broadband and mobile businesses to go beyond being a passive carrier of third party content. BT TV is today a leading converged operator in the UK delivering its own IPTV content to subscribers. TCS has been their strategic partner in this journey, helping engineer, deploy, and support BT TV's products and solutions to deliver an exceptional experience to viewers anywhere, anytime, and on any device.





# Reimagining IT Services

## Krishnan Ramanujam, President

The changed buying behavior of customers in the Digital world is reshaping the IT services landscape, resulting in integrated delivery, greater virtualization, more automation and non-linear business models. With its full services portfolio, TCS is participating in the entire spectrum of customer spending.

### How has Digital adoption changed the IT services business?

The adoption of Digital technologies and the changed equation between business and technology have brought about newer buying behaviors among customers.

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"Every business leader has to constantly look at how technology can reshape their area, and engage with technology to transform."

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Today, IT is no longer the exclusive domain of the CIO. Every business leader has to constantly look at how technology can reshape their area, and engage with technology to transform. This has created multiple buyers of technology within the enterprise.

Second, there is an immense speed-to-market imperative. So Agile and DevOps is a default

preference in newer engagements, and that changes software delivery models.

Then, there is virtualization. Hardware and software which were earlier purchased and installed within the customer's premises are now being accessed from the cloud on a rental basis. Customers don't want to get locked into any one proprietary technology but want systems integrators like us to stitch together multiple best-in-class point solutions which they can consume as a service.

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"Customers want us to take responsibility for delivering the overall transformation program that often entails orchestrating the delivery of multiple service lines. This is in contrast to separately purchasing individual services."

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Virtualization of IT services results in what is known as Shared Services. These are basically a set of capabilities, say, ERP maintenance, which are not dedicated to any one customer but shared across multiple customers. Customers benefit from the standardization, flexibility in handling workloads, and lower cost while TCS can standardize, automate, and better govern the service delivery.

Last, when many of the newer technologies are not fully understood, customers look to us to simplify matters and use our contextual knowledge of their business to explore the boundaries of what is possible.

Related to that is the rise of integrated solution offerings. Customers want us to take responsibility for delivering the overall transformation program that often entails orchestrating the delivery of multiple service lines. This is in contrast to separately purchasing individual services such as application development and maintenance or package implementation.



**Can you give an example of an offering that involves multi-service orchestration? How do you see this working on scale?**

A good example is the work we are doing for a large Fortune 500 company which is contemplating a series of divestitures.

We are building a replicable model for carrying out IT system separations with minimal disruptions every time they go through a divestiture. System separations are immensely complex and require capabilities spanning the end-to-end transformation lifecycle covering assessment, evaluation of solutions, finalization of a roadmap, deployment and governance, with emphasis on change management.

From a service delivery point of view, it is a consulting-led program that requires multiple teams from streams such as enterprise solutions, cyber-security, cloud, infrastructure services, and business process services to come together and deliver a seamless capability.

This leverages our domain expertise, business knowledge, technology skills, and program management capability, and also our ecosystem partnerships. Most importantly, it is built on our unique collaborative and fluid service delivery structure that enables the easy coalescing of different capabilities into a One TCS team.

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**"At TCS, we have focused on automation from our early days, going back to the code generators and reverse engineering parsers we built during the Y2K era. Automation is an integral part of the industrial model of software engineering that we pioneered."**

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**At the other end of the spectrum, we have automation replacing a lot of human effort. What are TCS' initiatives on this front?**

The fears of automation leading to job losses are overdone. People had similar concerns when computers first entered the workplace. Today we know that the increased efficiency from computerization only resulted in greater economic growth. At TCS, we have focused on automation from our early days, going back to the code generators and reverse engineering parsers we built during the Y2K era. Automation is an integral part of the industrial model of software engineering that we pioneered.

We see the growing interest in automation among customers as a revenue opportunity, and are now building greater focus. We work with all the leading automation product vendors and also have our own cognitive automation product, Ignio™, which is doing very well in the market.

**Both automation and the Shared Services model you spoke of earlier bring costs down. How will this affect the IT services business?**

Automation and Shared Services are both ways of boosting productivity, requiring lesser effort to achieve the same outcomes. One might look at that deflation and conclude that it is a negative for IT service providers. But historically, if you see, whenever advances in technology or delivery models resulted in deflation of individual elements of spend, that never reduced overall spending. On the contrary, overall spending on technology has only risen.

Our experience has been that whenever we deliver greater efficiency and cost savings on lower value areas using cloud, automation, shared services and other 'Digital for Efficiency' initiatives, it frees up customers spending for higher-end, transformational initiatives such as omni-channel, customer experience or data analytics platforms that are a source of competitive differentiation. So, at the overall portfolio level, there is growth, and despite the

deflation at one end of the spectrum, the higher realization at the other end keeps our margins steady.

**Where do products and platforms fit into the services framework?**

TCS has developed a lot of domain expertise in the course of working with customers in different industry verticals over long periods of time. That expertise results in more repeat business and higher value work. The other form of monetizing that knowledge is by building intellectual property in the form of software products and platforms.

Products and platforms entail an initial investment in the development but thereafter, once they gain traction in the marketplace, incremental revenues do not carry proportional costs. That is why they are referred to as non-linear revenues, and are a way of boosting productivity in the services business.

When we say products and platforms, there is a value continuum there. We start with high value, customizable software products for mission-critical operations – such as lending at a bank or merchandizing at a retailer. Next is the Software as a Service (SaaS) model where multiple customers subscribe to centrally hosted, standardized software to automate less critical, non-differentiated operations. At the other end is the convergence of SaaS and Shared Services into a platform-based utility model where the centrally hosted software and the operations team are shared across multiple customers who pay per transaction.

To me, any activity which is not a source of competitive differentiation will eventually gravitate to this kind of a utility model because of the sheer economies of scale such platforms can achieve.

To participate in the entire spectrum of customer spend, we need to have a portfolio of offerings with pure services at the highest end of the value chain and platform-based outcomes at the other extreme. ■

# Reimagining Business Structures

State Bank of India, the country's largest bank, reimagined its business structure by merging the operations of six associate banks with itself. The bank turned to its trusted technology partner, TCS, to manage the most critical part of the integration – the migration of product and customer data from six core banking platforms onto SBI's TCS BaNCS platform. The final merger was accomplished in a tight 48-hour window before the bank opened for business in the new fiscal year. Post merger, the TCS BaNCS instance at SBI supports over 550 million customers, 725 million accounts, and 180 million transactions per day. These are staggering numbers unmatched by any other core banking software in the world. The merger gives further scale-related benefits and puts SBI into the league of the top 50 global banks by asset size.



# Reimagining Payments

DNB, Norway's largest financial services group, wanted to gain first mover advantage by offering a simple mobile-based person-to-person (P2P) payment app. They partnered TCS to leverage our deep expertise in the payments domain and strength in mobile technologies. TCS built Vipps, a simple and interactive app, in just five months — making DNB a first mover in the P2P space in Norway. The app beat all estimates of user adoption, and became the highest downloaded app in Norway. Over half the population uses it, of which 55% are non DNB customers. Norwegians don't make payments anymore, they just Vipps it!







# Reimagining Software Delivery

Aarthi Subramanian,  
Executive Director

The speed of technology change, demands from business in a Digital era, and the consumerization of enterprise IT are driving a profound change in software delivery. Agile and DevOps have become the preferred approach to meet the time-to-market demands placed on today's IT organizations.

## It seems Agile and DevOps are the buzzwords in software delivery today. Can you explain these and put them in context?

In the Digital era, enterprises are under pressure to cater to heightened expectations from consumers within and outside the enterprise. Users are always looking for the next release and the next feature-rich version of software. Secondly, consumers of technology expect software to be 'Always-On' — always available and accessible from anywhere.

Traditional methods of software development, which have taken a more phased and sequential approach to building software, make it hard to keep up with today's time-to-market demands.

Agile and DevOps represent a new way of working to build and deliver software. Agile is an iterative approach that allows enterprises to develop software incrementally and faster. DevOps uses high levels of automation and tooling to rapidly deploy the software in production. So, while Agile gave us speed to develop, DevOps has extended this by giving us speed to seploy. Together these have truly

enabled enterprises to achieve speed to market. For this reason, Agile/DevOps has become a core capability for enterprises going through a Digital transformation. Applied at scale, it is helping IT organizations deliver at a much faster pace while ensuring stability and quality.

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"To make the distributed Agile model work we need to invest in building business knowledge across the teams, placing the right roles at the right locations, immersive collaboration tools, constant communication and a structured approach to planning."

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## The iterative approach of Agile would need close proximity to users in the client's organization. How do you do that in a globally distributed delivery model?

There are proven operating models for effective communication and collaboration in distributed Agile that don't compromise agility. To make the distributed Agile model work we need to invest in building business knowledge across the teams, placing the right roles at the right locations, immersive collaboration tools, constant communication, and a structured approach to planning.

Enterprises already working with distributed teams in traditional delivery models have typically built significant knowledge of the enterprise's business processes and mutual trust. These are important enablers for effective transition to Agile.

Making distributed Agile work requires careful joint planning of delivery processes with the customer such as frequency of deployments, calibrated work hours, collaborative workspaces, and creating a One Team culture. TCS has made

significant investments in adopting the Agile way of working across multiple customer engagements and establishing an Agile culture among our workforce through extensive training and promotional campaigns.

**An industrial model of service delivery relies on well-defined roles, responsibilities, processes and controls. Are these still relevant in an Agile world?**

These fundamental aspects of industrialization of service delivery are very much an integral part of the Agile way of working.

With Agile, the focus is on delivering the program in increments — called sprints — with a well-defined shorter duration (usually in weeks). This means that Agile teams are typically sets of smaller teams who work on a finite set of clearly defined items of work. The work items are digitized using tools providing full visibility across distributed teams.

Focus on programming excellence is core to Agile/DevOps. Clearly defined practices and a plethora of tools are available to enable this. That is key to the increased productivity of the development teams.

Process centricity, another hallmark of the industrialized model, is embedded into the Agile way of working much more organically than in traditional models. A simple but effective example is the concept of daily stand-up meetings, a collaboration and planning process fundamental to the Agile way of working.

DevOps takes process centricity to the next level through its focus on extreme process automation. To that extent, it is a hyper-industrialized approach to software deployment.

**When the emphasis is on speed-to-market, how are the operational risks around system stability managed?**

The Agile approach is designed to ensure quality and predictability while delivering faster in smaller increments creating a continuous flow-through to the business.

Agile/DevOps brings together a number of enablers to ensure focus on quality and de-risking of operational risks related to stability. These include integrated working of IT — developers, testers and operations and business teams — from day one. Heavy focus on automation of testing to ensure production deployments are of high quality and most importantly the philosophy and associated tooling that ensures that software is production-ready every day.

In addition, the instrumentation and self-healing capability in operations that tooling and automation enable is key to ensuring high stability and availability.

"Agile transformation is very much a mindset change and should not be seen just as a new way of delivering software. So it is important for enterprises to see this as an organization-wide change management initiative with very strong enablement from the leadership."

**Give us a flavour of the cultural challenges in transforming the delivery organization to an Agile mindset?**

Agile transformation is very much a mindset change and should not be seen just as a new way of delivering software. So it is important for enterprises to see this as an organization-wide change management initiative with very strong enablement from the leadership. This should include awareness-building, re-skilling through training, support with change in roles, structural changes, creation of role models (people as well as projects), investment in Agile/Devops infrastructure and collaboration tools.

The clear articulation of Agile values and principles remain fundamental to Agile execution and is very important in sustaining the culture across multiple teams. This means that the entire team operates as a single unit towards a shared vision.

A strong focus on cultural integration is another important piece. Conducting cultural awareness sessions and enabling a 'culture coach' role at distributed locations aid continuous integration of the teams.

Finally, other measures like travel of key roles to distributed locations, gamification, simulated scenarios and fun events establish strong ties amongst distributed teams, improving their ability to work together as one cohesive team. ■

AGILE IMPACT: BENEFITS REALIZED BY BUSINESS AS WELL AS IT			
Leading European Telecom Network	Leading Australian Bank	Leading US Cable Operator	US Financial Services Company
Time to Market 40% reduction	Time to Market 65% reduction	Time to Market 25% reduction	Time to Market 20-50% reduction
Product Quality 80% improvement	Test effort 70% improvement	Product Quality 70% improvement	Product Quality 60% improvement



# Reimagining Talent Management

Ajoy Mukherjee,  
EVP — Human Resources

The emergence of a new class of technologies and a generational shift in the workforce has necessitated reimagining every aspect of talent management. The power of Digital is being harnessed to reskill the workforce with speed and scale, and to enrich employee engagement. These investments and an empowering, enabling culture have made TCS an industry benchmark.

## How are you building Digital capabilities in TCS? Are you hiring big numbers from the market?

We do hire a few individuals where required but remember, there just won't be sufficient people with skills in newer technologies in the market. On the scale at which we operate, there are no shortcuts to capability development. We have to do what we have always done — invest in re-skilling our employees.

The task is made easier because we have a young and highly motivated workforce which recognizes the importance of Digital, and is eager to learn. The challenge is to do this quickly and at scale. That is where we are ourselves leveraging the power of Digital.

## Tell us more about how you do that.

We have fundamentally reimagined our approach to training. The starting point is to acknowledge that Gen Y's learning style is different. They don't learn by reading manuals. They pick up a technology skill only when they need it, only to the extent they require, and by trying it out on their own, and consulting peers when they need help.

To cater to this generational shift, we have built the TCS' Digital Learning Platform — an integrated

ecosystem that combines virtual, physical, and experiential learning infrastructure with high quality content, and is available any place, any time, and on any device. There are virtual development environments where they can try out their learning, with a social connect so they can consult peers.

This globally available learning platform has removed geographic boundaries, giving us the benefit of both scale and speed.

## In a Digital world, how has recruitment changed? What do you look for in a prospective employee today?

We have completely reimagined talent acquisition using Digital technologies. Today, the end-to-end employee experience — starting from student

engagement to applying for a job, getting an offer letter, accepting it and thereafter — is digitized and completely paperless.

Even before we recruit them, we engage with students through Campus Commune, our online student engagement portal. It helps them in their Digital learning through webinars, educational videos, and blog posts by experts in various fields, and in collaborating with their peer groups globally.

We have started using programming contests on Campus Commune — such as TESTimony, EngiNx, GameOn, and CodeVita — to spot and hire top talent from the student community. Last year, we recruited over a thousand talented students this way.

Post recruitment, we have onboarding platforms to engage with both trainees and lateral hires.

For laterals hiring, we use job boards, social media, and the TCS internal reference portal. We are also using new generation online recruitment tools that use analytics and AI to cast the net wider and screen a large numbers of candidates faster and with lesser effort. Our constant innovation has made us a benchmark in the talent acquisition domain.

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"On the scale at which we operate, there are no shortcuts to capability development. We have to do what we have always done — invest in re-skilling our employees."

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Coming to the second part of the question, some things never change. The two key attributes that we continue to look for are willingness to learn and positive attitude. Other skills that are very important in today's world are the ability to work with a diverse workforce cultural sensitivity, deal with complexity and ambiguity, balance opposing views, and see the big picture.

#### How has the quality of fresh engineering graduates changed over time?

In my experience, the quality of fresh engineering graduates in India has improved over time. There are two reasons for this.

First, millennials are more exposed to technology, much earlier, and come with a better awareness of the digital world. Unlike past generations, they start working with computers in school itself and even study a lot of programming in college.

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**"Millennials are more exposed to technology, much earlier, and come with a better awareness of the digital world."**

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Second, many progressive engineering institutes are working closely with us, as partners in the TCS Academic Interface Program, to align their curriculum and pedagogy with the needs of the industry. We help them by organizing faculty training programs, technical workshops, project sponsorships, soft skill programs, and so on.

#### You have recruited fewer people this year in absolute terms compared to FY 2016. What is happening?

Year-on-year comparisons can be misleading because we brought down our attrition significantly this year compared to the prior year and therefore had fewer positions to backfill. That aside, in the longer term, newer technologies and our adoption of automation and non-linear models will keep driving greater productivity. That means

we will require fewer people to generate the same unit of revenue.

To see this trend, you have to compare longer periods. If you look at the incremental revenue generated in the last five years on a constant currency basis, you will see that it took far fewer additional people compared to the prior five - year period. I think this trend will continue into the future.

#### There is a lot of news on visa restrictions in the US. How dependent are you on such visas?

Historically, we have always recruited local talent in all our major markets. We have significantly ramped it up in the last couple of years, replicating many of the programs that have worked very well for us in India – such as partnering academic institutions and engaging with high school students. These are now delivering results.

We are hiring from over a hundred engineering campuses in the US and also hiring MBAs from top B-schools, and the experience has been excellent. We believe we were the top recruiter on a net basis in the United States in FY2017. We have been certified as a 'Top Employer in North America 2017' by the Top Employers Institute for the third consecutive year.

All this is helping us bring down our dependence on work visas. In 2016 and again this year, we have applied for only a third of the visas we had applied for in 2015.

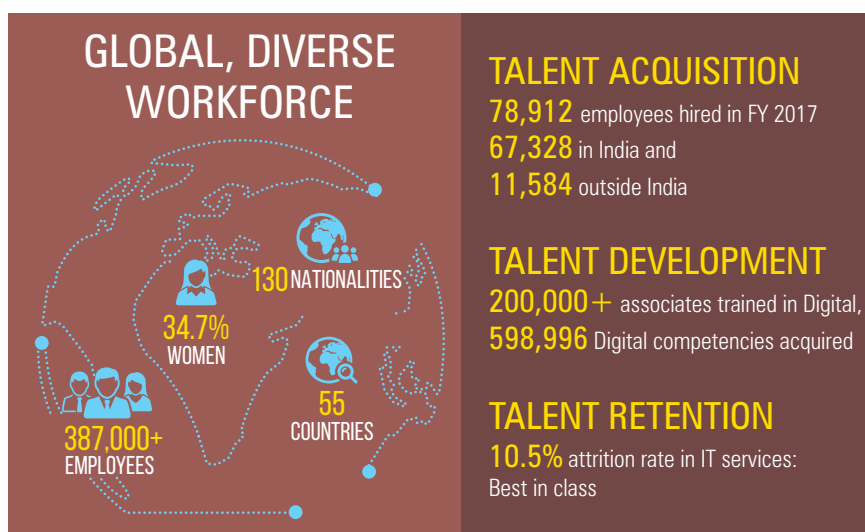
#### TCS has historically had the best retention rates in the industry. What has made that possible?

There are many things that go into creating an empowering environment that values and fosters talent and enables individuals to realize their potential. In my opinion, our caring and enabling culture steeped in Tata values and ethos is the most critical element from which everything else follows.

Role rotation programs allow employees to develop all-round capabilities and grow their careers exposing them to newer roles, newer technologies, other domains, and other geographies. TCS' full services capability, broad industry coverage, and large geographic footprint offer employees phenomenal opportunities to keep trying out new things all the time.

The organization's business growth also offers individuals very strong career growth opportunities. The cutting-edge Digital transformational work we are doing for leading corporations across the world makes TCS the best place for talented engineers looking to work on the latest and most exciting assignments.

Other key HR interventions and investments that have made our retention rates the industry benchmark are our progressive policies, focus on diversity, investments in training and reskilling, career management, leadership development programs, and the multiple social platforms for employee engagement. ■



# Reimagining Citizen Services

TCS first partnered the Government of India in reimagining passport services nearly a decade ago. While the Ministry managed the sovereign functions, TCS set up the IT and non-IT infrastructure, and managed the front-office operations, delivering a superior customer experience. There has been more than a 100% jump in throughput — we issue nearly a million passports every month today. But in a country as vast as India, the 92 facilitation centers run in 77 cities are proving inadequate. Applicants from smaller towns still travel hundreds of kilometers to the nearest center for completing their application formalities. In the next level of reimagination, TCS is working with the Ministry of External Affairs and the Department of Posts to extend our award-winning services to those in the hinterlands using the network of Post Offices across the country. This will set a new global benchmark in technology-enabled citizen services.





# Directors' Report



## Directors' Report

To the Members,

The Directors present the Annual Report of Tata Consultancy Services Limited (the Company or TCS) along with the audited financial statements for the financial year ended March 31, 2017. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Financial statements for the year ended and as at March 31, 2016 have been restated to conform to Ind AS Note 3 to the consolidated financial statement provides further explanation on the transition to Ind AS.

### 1. Financial results

(₹ crore)

	Unconsolidated		Consolidated	
	Financial Year 2016-17 (FY 2017)	Financial Year 2015-16 (FY 2016)	Financial Year 2016-17 (FY 2017)	Financial Year 2015-16 (FY 2016)
Revenue from operations	92,693	85,864	117,966	108,646
Other income (net)	4,568	3,757	4,221	3,084
<b>Total income</b>	<b>97,261</b>	<b>89,621</b>	<b>122,187</b>	<b>111,730</b>
<b>Expenses</b>				
Operating expenditure	65,604	58,810	85,655	77,969
Depreciation and amortization expense	1,575	1,459	1,987	1,888
<b>Total expenses</b>	<b>67,179</b>	<b>60,269</b>	<b>87,642</b>	<b>79,857</b>
Profit before finance cost and tax	30,082	29,352	34,545	31,873
Finance costs	16	13	32	33
<b>Profit before tax (PBT)</b>	<b>30,066</b>	<b>29,339</b>	<b>34,513</b>	<b>31,840</b>
Tax expense	6,413	6,264	8,156	7,502
<b>Profit for the year</b>	<b>23,653</b>	<b>23,075</b>	<b>26,357</b>	<b>24,338</b>
<b>Attributable to:</b>				
Shareholders of the Company	23,653	23,075	26,289	24,270
Non-controlling interests	NA	NA	68	68
Opening balance of retained earnings	53,576	42,370	56,113	43,904
Adjustment with other equity	59	(102)	25	(103)
<b>Amount available for appropriation</b>	<b>77,288</b>	<b>65,343</b>	<b>82,427</b>	<b>68,071</b>
<b>Appropriations</b>				
Dividend on equity shares (excluding tax)	9,162	7,993	9,162	7,993
Tax on dividends	1,785	1,486	1,785	1,486
Capital redemption reserve	-	-	-	110
General reserve	-	2,288	-	2,304
Statutory reserve	-	-	33	65
Special Economic Zone re-investment reserve	376	-	376	-
<b>Closing balance of retained earnings</b>	<b>65,965</b>	<b>53,576</b>	<b>71,071</b>	<b>56,113</b>

(₹ 1 crore = ₹ 10 million)

## 2. Buyback of Equity Shares

The Board of Directors of the Company at its meeting held on February 20, 2017, has approved buyback up to 56,140,351 equity shares of ₹1 each, on a proportionate basis, at a price of ₹ 2,850 per equity share payable in cash for an aggregate consideration not exceeding ₹16,000 crore, excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., by way of a Tender Offer route through Stock Exchange Mechanism. This is in accordance with the provisions of the Companies Act, 2013 (Act), and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, and other applicable laws and regulations.

The buyback is a capital allocation decision taken with the objective of seeking a fairer valuation of the Company's stock while improving the Company's Return on Equity, and increasing shareholder value in the longer term.

The offer size of the buyback is within the prescribed limit of 25% of the aggregate of paid up capital and free reserves of the Company, and represents 2.85% of the total issued and paid-up equity share capital of the Company.

## 3. Dividend

Based on the Company's performance, the directors are pleased to recommend for approval of the members a final dividend of ₹27.50 per share for FY 2017 taking the total dividend to ₹47.00 per share (previous year ₹43.50 per share). The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 6,522 crore, including dividend tax. The total dividend on equity shares including dividend tax for the FY 2017 would aggregate ₹ 11,071 crore, resulting in a payout of 46.8% of the unconsolidated profits of the Company.

## 4. Transfer to reserves

The Company proposes to retain the entire amount of ₹ 65,965 crore in the profit and loss account.

## 5. Company's performance

On a consolidated basis, the revenue from operations for FY 2017 at ₹ 117,966 crore was higher by 8.6% over the last year (₹108,646 crore in FY 2016). The profit for the year attributable to shareholders and non-controlling interests was ₹ 26,357 crore, recording a growth of 8.3% over the last year (₹ 24,338 crore of FY 2016). The profit after tax attributable to shareholders of the Company was ₹ 26,289 crore, 8.3% higher than that of the previous year (₹ 24,270 crore).

On an unconsolidated basis, the revenue from operations for FY 2017 at ₹92,693 crore, was higher by 8.0% over the last year (₹85,864 crore in FY 2016). The profit for the year was ₹23,653 crore, registering a growth of 2.5% over the PAT of ₹ 23,075 crore in FY 2016.

## 6. Human resource development

The Company is responding to the evolving needs of the Digital era by leveraging Digital technologies to enhance the scale, quality and experience of our Talent Acquisition, Talent Engagement and Talent Development programs.

In FY 2017, TCS hired 78,912 employees across the world. The Company's onboarding platforms give new employees a consistent, world-class integration experience. Our diversity initiatives are showing good progress. The Company has employees from 130 nationalities and is one of the largest employers of women, who constitute 34.7% of our global workforce. The Company had 387,223 employees across 55 countries, as on March 31, 2017.

TCS' Digital Learning platform is helping the Company reskill the global workforce quickly, and at scale. The Company's various employee engagement platforms and initiatives have resulted in a vibrant, productive and enjoyable work environment. A structured approach to career development, leadership development, internal job rotations, and mentoring helps employees grow their careers and realize their potential.

Programs like Fit4life, Safety First, Employee Assistance Program, and Purpose4Life are part of the total employee experience, helping to promote individual wellness while balancing the needs of work, family and society. PULSE, the Company's employee satisfaction survey, provides critical insights into the needs of the workforce and forms the basis of refining organizational policies and programs.

Through all these initiatives, the Company continues to remain the industry benchmark for Talent Retention. Attrition in FY 2017 reduced to 10.5% in IT Services and to 11.5% on an overall basis.

## 7. Quality initiatives

The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management. In FY 2017, the Company was re-appraised enterprise-wide at the highest maturity Level 5 of CMMI-DEV®

(Development) and CMMI-SVC® (Services) version 1.3. The Company also achieved enterprise-wide ISO certification for Quality Management (ISO 9001:2015), IT Service Management (ISO 20000-1:2011), Information Security Management (ISO 27001:2013), and Business Continuity Management (ISO 22301:2012). TCS' strong commitment to the environment and occupational health and safety of its employees and business partners is demonstrated through the enterprise-wide Environmental Management (ISO 14001:2004) and Occupational Health and Safety Management (BS OHSAS 18001:2007) certifications. The Company also maintain domain-specific quality certifications including AS 9100 (Aerospace), TL 9000 (Telecom) and ISO 13485 (Medical Devices).

TCS' Global Network Delivery Model (GNDM™), built on a strong process-driven and customer-centric integrated Quality Management System (iQMS™), continues to deliver outstanding value and experience to our customers. iQMS™ is continually enhanced for emerging service offerings, new delivery methodologies, industry best practices and latest technologies. The Company continues to invest in knowledge management platforms for effective collaboration, learning and sharing. The Company received the prestigious Most Admired Knowledge Enterprise (MAKE) award in the Global Independent Operating Unit (IOU) category for the seventh time, Asian and Indian categories for the twelfth time. For a second successive year in 2016, the Company was ranked first in the Global IOU MAKE award category.

Our customer-centricity, process rigor, and focus on delivery excellence have resulted in consistent improvements in customer satisfaction levels in the periodic surveys conducted by us. This is validated by top rankings in third-party surveys as well.

## 8. Subsidiary companies

The Company has 58 subsidiaries as on March 31, 2017. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Act. There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents, and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

Restructuring or closure of unlisted wholly-owned subsidiaries during the year:

- a. Tata Consultancy Services (South Africa) (Pty) Limited (TCS South Africa) : Tata Consultancy Services (Africa) (Pty) Limited (TCS Africa), wholly owned subsidiary of TCS, acquired the 25% ownership interest in TCS South Africa held by a minority shareholder in July 2016 and consequently, TCS South Africa became a wholly owned subsidiary of TCS Africa. TCS South Africa is engaged in IT services and consulting business, catering to the customers in the South Africa region.
- b. Diligenta 2 Limited: A subsidiary of Diligenta Limited, the UK based subsidiary of the Company was dissolved with effect from March 14, 2017, by transfer of its employees, trade, and assets to Diligenta Limited, with the permission of the Financial Conduct Authority of the United Kingdom.
- c. PT Financial Network Services Indonesia: The process of closure of this company, which is a subsidiary of Financial Network Services (Holdings) Pty. Limited, was completed and the same was effective March 16, 2017.
- d. MS CJV Investment Corporation: A corporation, incorporated in the state of Nevada, USA, was dissolved with effect from January 24, 2017. MS CJV Investment Corporation's 4.75% holding in Tata Consultancy Services (China) Limited was transferred on December 29, 2016, to Tata Consultancy Services Asia Pacific Pte. Limited, based on a valuation report, for a consideration of RMB 9.6 million (USD 1.38 million). This company had no other investments or business.

## 9. Directors' responsibility statement

Pursuant to Section 134(5) of the Act, the board of directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;



- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2017.

#### 10. Directors and key managerial personnel

Mr. N. Chandrasekaran relinquished his position as the Chief Executive Officer and Managing Director of the Company with effect from February 21, 2017, on his appointment as Executive Chairman of Tata Sons Limited. Mr. N Chandrasekaran demonstrated exemplary leadership during his tenure as the Chief Executive Officer and Managing Director of the Company. Prior to his elevation to the position of the Chief Executive Officer and Managing Director of the Company on October 6, 2009, he held the office of the Chief Operating Officer and Executive Director of the Company from September 6, 2008, till October 5, 2009. He joined the Company in 1987 and has held several key positions within the Company. The Directors place on record their appreciation of the invaluable services of Mr. N. Chandrasekaran as the Chief Executive Officer and Managing Director.

Tata Sons Limited nominated Mr. N. Chandrasekaran as the Chairman of the Board of Directors of the Company in place of Mr. Ishaat Hussain, with effect from February 21, 2017. The nomination was duly noted by the Board of Directors at its meeting held on February 20, 2017. Consequent to this, Mr. N. Chandrasekaran took charge as the Non-Executive Chairman of the Board of Directors of the Company with effect from February 21, 2017.

Mr. Ishaat Hussain was nominated as the Chairman of the Board by Tata Sons Limited on November 9, 2016, in place of Mr. Cyrus Mistry. Mr. Hussain presided over as the Chairman of the Board till the nomination of Mr. Chandrasekaran as the Chairman with effect from February 21, 2017. The Directors place on record their appreciation of Mr. Ishaat Hussain for presiding over the Company as the interim Chairman.

Based on the requisition of the holding company, Tata Sons Limited, an Extra-Ordinary General Meeting of the Company was convened on December 13, 2016, at which the shareholders voted in favor of removal of Mr. Cyrus Mistry as a Director. Mr. Cyrus Mistry ceased to be a Director of the Company with effect from December 13, 2016.

Mr. Phiroz Vandrevala stepped down as a Director with effect from July 8, 2016. In a career spanning over 25 years with the Company, Mr. Phiroz Vandrevala worked in various leadership roles including as the Executive Director from September 7, 2007 to May 13, 2011, and as a non-executive Director with effect from May 13, 2011. Mr. Phiroz Vandrevala took over as the Managing Director and Vice Chairman of Diligenta Limited in May 2011 to drive its business and execution globally. The Directors place on record their appreciation for the valuable contribution of Mr. Phiroz Vandrevala to the Company.

Mr. Rajesh Gopinathan, who was the Chief Financial Officer of the Company, was elevated to the position of Chief Executive Officer and Managing Director of the Company with effect from February 21, 2017. Mr. Rajesh Gopinathan started his professional career with the Company in 2001. He was appointed as the Chief Financial Officer of the Company in February 2013. He has played a key role in helping the Company become a \$17.6 billion global turnover company.

The Board also appointed Mr. N. Ganapathy Subramaniam as the Chief Operating Officer and Executive Director of the Company with effect from February 21, 2017. Prior to this, Mr. N. Ganapathy Subramaniam was the President, Financial Services, a strategic business unit of the Company. He has been a part of the Company and the Indian IT Industry for the past 34 years and has had opportunities to perform a variety of roles in delivering solutions to customers globally, especially in the Banking and Financial Services sector.

Ms. Aarthi Subramaniam retires by rotation and being eligible has offered herself for re-appointment.

Pursuant to the provisions of Section 149 of the Act, Mr. Aman Mehta, Mr. V. Thyagarajan, Prof. Clayton M. Christensen, Dr. Ron Sommer, Dr. Vijay Kelkar, and Mr. O. P. Bhatt were appointed as independent directors at the annual general meeting of the Company held on June 27, 2014. They have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as an independent director during the year.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

The Board appointed Mr. V. Ramakrishnan as the Chief Financial Officer of the Company, to take over from Mr. Rajesh Gopinathan, with effect from February 21, 2017. Mr. Ramakrishnan has been a key member of TCS Finance for more than 17 years and has served in various leadership roles in TCS Finance. He is a graduate in commerce from Loyola College, Chennai, and is a member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost & Management Accountants of India.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2017 are:

Mr. Rajesh Gopinathan, Chief Executive Officer and Managing Director, Mr. N Ganapathy Subramanian, Chief Operating Officer and Executive Director, Ms. Aarthi Subramanian, Executive Director, Mr. V. Ramakrishnan, Chief Financial Officer, and Mr. Suprakash Mukhopadhyay, Company Secretary. Mr. N. Chandrasekaran ceased to be a Key Managerial Personnel of the Company with effect from February 21, 2017.

#### **11. Number of meetings of the board**

Nine meetings of the board were held during the year. For details of meetings of the board, please refer to the Corporate Governance Report, which is a part of this report.

#### **12. Board evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations').

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

#### **13. Policy on directors' appointment and remuneration and other details**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report.

#### **14. Internal financial control systems and their adequacy**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

#### **15. Audit committee**

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report.

#### **16. Auditors**

Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of the Company, hold office till the conclusion of the 22nd Annual General Meeting of the Company. The Board has recommended the appointment of B S R & Co. LLP, Chartered Accountants as the statutory auditors of the Company in their place, for a term of five consecutive years, from the conclusion of the 22nd Annual General Meeting of the Company scheduled to be held in the year 2017 till the conclusion of the 27th Annual General Meeting to be held in the year 2022, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

Further, based on the recommendation of the Audit Committee of the Company, the Board has appointed KPMG India, Chartered Accountants, to audit the financial statements under the International Financial Reporting Standards (IFRS) for a period of five financial years from FY 2017-18 to FY 2021-22.

#### **17. Auditors' report and secretarial auditors' report**

The auditors' report and secretarial auditors' report do not contain any qualifications, reservations, or adverse remarks. Report of the secretarial auditor is given as an annexure to this report.

## 18. Risk management

The Board of Directors of the Company has formed a risk management committee to frame, implement, and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which is a part of this report.

## 19. Particulars of loans, guarantees, and investments

The particulars of loans, guarantees, and investments have been disclosed in the financial statements.

## 20. Transactions with related parties

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure I** in Form AOC-2 and the same form a part of this report.

## 21. Corporate social responsibility

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure II** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The policy is available on the website of the Company.

## 22. Extract of annual return

As provided under Section 92(3) of the Act, the extract of the annual return is given in **Annexure III** in the prescribed Form MGT-9, which is a part of this report.

## 23. Particulars of employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the directors	Ratio to median remuneration
<b>Non-executive directors:</b>	
Mr. N. Chandrasekaran *	514.78
Mr. Cyrus Mistry **	^
Mr. Aman Mehta	46.30
Mr. V. Thyagarajan	31.90
Prof. Clayton M. Christensen	23.35
Dr. Ron Sommer	33.35
Dr. Vijay Kelkar	29.83
Mr. Ishaat Hussain	37.02
Mr. O. P. Bhatt	30.29
Mr. Phiroz Vandrevala ***	^
<b>Executive directors:</b>	
Mr. Rajesh Gopinathan #	@
Mr. N. Ganapathy Subramaniam ##	@
Ms. Aarthi Subramanian	63.47

^ Since the remuneration of these Directors is only for part of the year, the ratio of their remuneration to median remuneration is not comparable



- b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. N. Chandrasekaran*	17.55
Mr. Cyrus Mistry**	@@
Mr. Aman Mehta	15.25
Mr. V. Thyagarajan	12.18
Prof. Clayton M. Christensen	7.38
Dr. Ron Sommer	11.78
Dr. Vijay Kelkar	25.04
Mr. Ishaat Hussain	20.23
Mr. O. P. Bhatt	20.09
Mr. Phiroz Vandrevala***	@@
Mr. Rajesh Gopinathan #	@
Mr. N. Ganapathy Subramaniam ##	@
Ms. Aarthi Subramanian	35.15
Mr. Ramakrishnan V, Chief Financial Officer w.e.f February 21, 2017	@
Mr. Suprakash Mukhopadhyay, Global Treasury Head and Company Secretary	30.76

@ Mr. Rajesh Gopinathan, Mr. N. Ganapathy Subramaniam and Mr. Ramakrishnan V were appointed on February 21, 2017. Accordingly, the disclosures with respect to increase in their salary and median are not given.

@@ Increase in remuneration is not given as the concerned directors were only for the part of the year.

\* Relinquished the office of Chief Executive Officer and Managing Director and appointed as a Chairman of the Company w.e.f. February 21, 2017

\*\* Ceased to be a Director of the Company w.e.f. December 13, 2016

\*\*\* Relinquished the office of Non-Executive Director w.e.f. July 8, 2016

# Appointed as Chief Executive Officer and Managing Director of the Company w.e.f. February 21, 2017

## Appointed as Chief Operating Officer and Executive Director w.e.f. February 21, 2017

c. The percentage increase in the median remuneration of employees in the financial year: 4.91%

d. The number of permanent employees on the rolls of Company: 387,223

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 8% in India. However, during the course of the year, the total increase is approximately 10%, after accounting for promotions and other event based compensation revisions. Employees outside India received wage increase varying from 2% to 6%. Increase in the managerial remuneration for the year was 31.38%.

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

g. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

#### 24. Disclosure requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which form part of this report.

As per Regulation 34 of the SEBI Listing Regulations, a Business Responsibility Report is attached and is a part of this annual report.

As per Regulation 43A of the SEBI Listing Regulations, the Dividend Distribution Policy is disclosed in the Corporate Governance Report and on the website of the Company.

#### 25. Deposits from public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

#### 26. Conservation of energy, technology absorption, foreign exchange earnings, and outgo

##### Conservation of energy:

The Company is committed to reduce its energy consumption through four key levers: green buildings, efficient operations, green IT and the use of renewable energy. Green buildings are energy efficient by design and hence help us reduce energy footprint. Over half of the Company's real estate portfolio are green buildings. Some 80% of all the TCS-owned offices are LEED/IGBC certified. The Company's Remote Energy Monitoring and Control initiative has enabled real-time energy monitoring and performance optimization, including that of data centers. All the owned campuses have onsite solar photovoltaic power generation. The Company has significantly increased its use of renewable power year on year. These initiatives collectively resulted in the Company's energy consumption reducing by 8.3% over the prior year, on a per FTE per annum basis.

##### Technology absorption, adaption, and innovation:

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products. The Company's operations do not require significant import of technology.

##### Research and Development (R&D): Specific areas in which R&D was carried out by the Company

TCS research deepened its exploration in the areas of intersection between computing and sciences; focusing on Artificial Intelligence (AI), the industrialization of software and computing, and the Digitization of business and society. Other areas of research include: an Integrated Computational Materials Platform in the materials space, the use of data science and high performance computational methods in genome analysis, metagenomic bio-markers and systems biology, and modeling of human behavior to understand the needs of a Digital citizen, Digital workplaces, and Digital customer in behavioral, social, and business sciences.

TCS Research and Innovation (R&I) remained closely connected to customers. Our marquee event, the TCS Innovation Forum, attracted over 700 customers, partners, and technology experts across New York City, London, Medellin, and Sao Paulo. We conducted a track called the 'The TCS Slush Experience' at Slush – Europe's premier startup event. Innovation Days and workshops held for customers in various locations resulted in several pilots and proofs of concept. The Company's Entrepreneur-in-Residence program as well as the Co-Innovation Network (TCS COIN™) continued to accelerate innovation. The latter expanded its footprint in several geographies and also deepened its academic alliances in India, extending it to Tier 1 institutions.

Your Company is again named in the Forbes list of the 'World's Most Innovative Companies', ninth year in a row. The Company was also awarded the WIPO IP Enterprise Trophy. VeriAbs, TCS' V&V framework offering, came first in the Loops category in 6th International Competition on Software V&V. The TCS Remote Energy Monitoring System won the 2016 IoT Connected Building Award and the 17th National Award on Excellence in Energy Management. TCS and IIT Kanpur together ranked fifth in the Amazon Picking Challenge. TCS had three winners in Tata Innovista 2016; all six winners of the Challenges Worth Solving were from TCS. Several associates have won individual honors.

Looking forward, the Digital reimagining of industry and society and the industrialization of software and computing will continue to be focus areas for TCS R&I.

##### Expenditure on R&D

TCS Innovation Labs are located in India and other parts of the world. These R&D centers, certified by the Department of Scientific & Industrial Research (DSIR) function from Pune, Chennai, Bengaluru, Delhi- NCR, Hyderabad, Kolkata and Mumbai.

Expenditure incurred in the R&D centers and innovation centers of TCS during FY 2017 and FY 2016 are given below:

(₹ crore)

	Expenditure on R&D and innovation	Unconsolidated		Consolidated	
		FY 2017	FY 2016	FY 2017	FY 2016
a.	Capital	1	3	1	3
b.	Recurring	281	229	281	234
c.	Total R&D expenditure (a + b)	282	232	282	237
d.	Innovation center expenditure	878	780	996	884
e.	Total R&D and innovation expenditure (c + d)	1,160	1,012	1,278	1,121
f.	R&D and innovation expenditure as a percentage of total turnover	1.2%	1.2%	1.1%	1.0%

#### Foreign exchange earnings and outgo

(₹ crore)

Export revenue constituted 92.4% of the total unconsolidated revenue in FY 2017 (92.8% in FY 2016).

Foreign exchange earnings and outgo		FY 2017	FY 2016
a.	Foreign exchange earnings	86,370	81,885
b.	CIF Value of imports	561	502
c.	Expenditure in foreign currency	31,553	29,555

## 27. Acknowledgement

The Directors thank the Company's employees, customers, vendors, investors, and academic partners for their continuous support.

The Directors also thank the governments of various countries, the Government of India, governments of various states in India, and concerned government departments and agencies for their co-operation.

The Directors appreciate and value the contribution made by every member of the TCS family.

On behalf of the Board of Directors

**N. Chandrasekaran**

Chairman

Mumbai, April 18, 2017



## Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Tata Consultancy Services Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2017. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts / arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - (f) Date(s) of approval by the Board: Not Applicable
  - (g) Amount paid as advances, if any: Not Applicable
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
  
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
  - a. Name(s) of the related party and nature of relationship: Not Applicable
  - b. Nature of contracts / arrangements / transactions: Not Applicable
  - c. Duration of the contracts / arrangements / transactions: Not Applicable
  - d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - e. Date(s) of approval by the Board, if any: Not Applicable
  - f. Amount paid as advances, if any: None

Note: The above disclosures on material transactions are based on the principle that transactions with wholly owned subsidiaries are exempt for purpose of section 188(1) of the Act.

On behalf of the Board of Directors

Mumbai, April 18, 2017

**N. Chandrasekaran**  
Chairman

## Annual Report on CSR Activities

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

TCS' CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation. Also embedded in this objective is support to the marginalised cross section of the society by providing opportunities to improve their quality of life.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programmes undertaken by the Company are available on the website of the Company.

In other countries of operation, the Company's CSR projects are designed and implemented to address the needs of the local community. Projects such as goIT, IT Futures and work experience programme have been created to specifically address the science, technology, engineering and mathematics (STEM) education skill gap.

The Company's global CSR expenditure and details of global programmes are elaborated in the Business Responsibility Report.

2. **The composition of the CSR committee:** The Company has a CSR committee of directors comprising of Mr. N. Chandrasekaran, Chairman of the Committee, Mr. O. P. Bhatt, Mr. Rajesh Gopinathan and Ms. Aarthi Subramanian.
3. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** ₹ 22,275 crores.
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 446 crores.
5. **Details of CSR spent during the financial year:**
  - a. Total amount to be spent for the financial year: ₹ 446 crores.
  - b. Amount unspent: ₹ 66 crores.  
Some of the large programmes in the areas of healthcare, education and promoting employability are multiyear projects
  - c. Manner in which the amount spent during the financial year: Attached
6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

Please refer to item no. 5(b) above.

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

**Rajesh Gopinathan**  
Chief Executive Officer and Managing Director

**N. Chandrasekaran**  
Chairman, Corporate Social Responsibility Committee

Mumbai, April 18, 2017

5(c) Manner in which amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programmes were undertaken	Amount Outlay (budget) project or programmes wise (₹ crore)	Amount spent on the projects or programmes Subheads : (1) Direct Expenditure (2) Overheads (₹ crore)	Cumulative Expenditure upto the reporting period (₹ crore)	Amount Spent: Direct or through implementing agency
1.	Training and educating children, women, elderly, differently abled, scholarships and special education and increasing employability	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Pan India	206.81	88.08	159.80	Through implementing agency
2.	Disaster Relief, tech support for hospitals including Cancer Institutes, financing hygienic sanitation.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	Pan India	285.47	85.63	164.59	Through implementing agency
3.	Childline software support to track missing children	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Pan India	1.35	0.26	1.35	Direct
4.	Desilting, repair and maintenance of Chinnappanahalli Lake, Siruseri lakes Watershed Restoration for sustainability and flood protection	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	Bengaluru Chennai	1.38	0.54	0.60	Direct
5.	Contribution to Prime Minister's National Relief Fund & other Central Government Funds	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women	Pan India	4.44	-	4.44	Through implementing agency
6.	Contribution to Trusts engaged in CSR	Flood relief [Disaster relief covered under items of Schedule VII of the companies Act, 2013]	Chennai	13.80	-	13.80	Through implementing agency
7.	Contribution to TCS Foundation	Various sectors covered by Schedule VII of the Companies Act, 2013.	Pan India	320.00	200.00	318.07	Through implementing agency
8.	Support for the restoration and renovation of the heritage structure	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Mumbai	4.70	0.20	3.86	Direct
	Sub-total			837.95	374.71	666.51	
	Overheads				5.00		
	Total CSR Spend				379.71		



Form No. MGT-9  
Extract of Annual Return

as on the financial year ended on March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN: L22210MH1995PLC084781
- ii. Registration Date: January 19, 1995
- iii. Name of the Company: Tata Consultancy Services Limited
- iv. Category / Sub-Category of the Company: Company Limited by shares / Indian Non-Government Company
- v. Address of the Registered office and contact details:
  - 9<sup>th</sup> Floor, Nirmal Building,
  - Nariman Point,
  - Mumbai 400 021.
  - Tel: 91 22 6778 9595
  - Fax: 91 22 6778 9660
  - Email: [investor.relations@tcs.com](mailto:investor.relations@tcs.com)
  - Website: [www.tcs.com](http://www.tcs.com)
- vi. Whether listed company: Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any
  - TSR DARASHAW Limited
  - 6-10, Haji Moosa Patrawala Industrial Estate
  - 20, Dr. E. Moses Road
  - Mahalaxmi
  - Mumbai 400 011
  - Tel: 91 22 6656 8484
  - Fax: 91 22 6656 8494
  - Email: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)
  - Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Computer Programming, Consultancy and Related Activities	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Tata Sons Limited Bombay House, 24, Homi Modi Street, Mumbai 400 001.	U99999MH1917PLC000478	Holding	73.26	2(46)
2.	APTOonline Limited (formerly known as APOonline Limited) Kohinoor, e-Park Plot No.1, Jubilee Gardens, Hyderabad -500081, Telangana, India	U75142TG2002PLC039671	Subsidiary	89	2(87)
3.	C-Edge Technologies Limited Palim Centre, Banyan Park, Suren Road, Andheri East, Mumbai 400 093, Maharashtra, India	U72900MH2006PLC159038	- do -	51	2(87)
4.	MP Online Limited Nirupam, Shopping Mall, 2nd Floor, Ahmedpur, Hoshangabad Road, Bhopal - 462026, Madhya Pradesh, India	U72400MP2006PLC018777	- do -	89	2(87)
5.	TCS e-Serve International Limited 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021, Maharashtra, India	U72300MH2007PLC240002	- do -	100	2(87)
6.	MahaOnline Limited Directorate of Information Technology, Mantralaya Annex, 7th Floor, Mumbai - 400032, Maharashtra, India	U72900MH2010PLC206026	- do -	74	2(87)
7.	TCS Foundation 9th floor, Nirmal Building, Nariman Point, Mumbai 400 021 Maharashtra, India	U74999MH2015NPL262710	- do -	100	2(87)
8.	Tata Consultancy Services (Africa) (PTY) Ltd. 39 Ferguson Road, Illovo, Johannesburg 2196, South Africa	Not applicable	- do -	100	2(87)
9.	Tata Consultancy Services (South Africa) (PTY) Ltd. 39 Ferguson Road, Illovo, Johannesburg 2196, South Africa	- do -	- do -	100	2(87)
10.	Tata Consultancy Services Qatar S. S. C. 935 Al Fardan Office Tower, Al Fardan 61, P.O. Box No. 31316, Doha, State of Qatar	- do -	- do -	100	2(87)
11.	Tata Consultancy Services Saudi Arabia Akavia, Centre II, 7 <sup>th</sup> Floor, Office No 712, Kingdom of Saudi Arabia, Kingdom of Saudi Arabia	- do -	- do -	76	2(87)
12.	Tata Consultancy Services Asia Pacific Pte Ltd. 60, Anson Road, # 18-01, Mapletree Anson, Singapore 079914	- do -	- do -	100	2(87)
13.	Tata Consultancy Services Malaysia Sdn Bhd Suite 21-16, Level 21, G Tower, 199, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.	- do -	- do -	100	2(87)
14.	Tata Consultancy Services (China) Co., Ltd. 1st floor, Tower D 3rd Block Zhongguancun Software Park Building No. 9, No. 8 Dongbeiwang West Road, Haidian District, Beijing, Peoples Republic of China	- do -	- do -	93.20	2(87)
15.	PT Tata Consultancy Services Indonesia Gedung Menara Prima Lt.6 Unit F, Jl. Dr. Ide Anak Agung Gde Agung Blok 6.2, Kawasan Mega Kuningan Kel. Kuningan Timur, Kec. Setiabudi Jakarta Selatan 12950	- do -	- do -	100	2(87)

**TATA CONSULTANCY SERVICES LIMITED**

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Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
16.	Tata Consultancy Services (Thailand) Limited 32/46, Sino-Thai Tower, 18th Floor, Sukhumvit 21 Road (Asoke) Road, Klongtoey-Nua Sub-District, Wattana District, Bangkok	-do-	-do-	100	2(87)
17.	Tata Consultancy Services (Philippines) Inc. 10th Floor Accralaw Tower, 30th St., cor 2nd Ave. E-Square IT Zone, Crescent Park West, Bonifacio Global City, Taguig City Philippines 1634	- do -	- do -	100	2(87)
18.	Tata Consultancy Services Japan, Ltd. 4th Floor, 38 Masonic Mt Building, 4-1-4 Shibakoen, Minato Ku, Tokyo 105-8551, Japan	- do -	- do -	51	2(87)
19.	Tata Consultancy Services Canada Inc. 400 University Avenue, 25th Floor, Toronto, Ontario M5G 1S5, Canada	- do -	- do -	100	2(87)
20.	Tata Consultancy Services De Espana S.A. C/ Santa Leonor 65, Edificio F 2ª planta 28037, Madrid, Spain	- do -	- do -	100	2(87)
21.	Tata Consultancy Services Deutschland GmbH Messeturm, D-60308 Frankfurt a.M., Germany	- do -	- do -	100	2(87)
22.	Tata Consultancy Services Netherlands BV Symphony Towers, 20th Floor, Gustav Mahlerplein 85-91, 1082 MS Amsterdam, The Netherlands	- do -	- do -	100	2(87)
23.	Tata Consultancy Services Sverige AB Mäster Samuelsgatan, 42 SE 111 57, Sweden	- do -	- do -	100	2(87)
24.	Tata Consultancy Services Belgium S.A. Lenneke Marelaan 6, 1932 Sint-Stevens-Woluwe, Belgium	- do -	- do -	100	2(87)
25.	TCS Italia SRL Corso Italia 1, Milano 20122, Italy	- do -	- do -	100	2(87)
26	Diligenta Limited Lynch Wood, Peterborough, Cambridgeshire, PE2 6FY, United Kingdom	- do -	- do -	100	2(87)
27.	Tata Consultancy Services Portugal Unipessoal Limitada Av. José Gomes Ferreira, 15.7 U, 1495-139 Algés Portugal	- do -	- do -	100	2(87)
28.	Tata Consultancy Services Luxembourg S.A. Rue Pafefbruch 89D, L - 8308 Capellen, Luxembourg	- do -	- do -	100	2(87)
29.	Tata Consultancy Services Switzerland Ltd Thurgauerstrasse 36/38, 8050 Zurich, Switzerland	- do -	- do -	100	2(87)
30.	Tata Consultancy Services France S.A.S. Tour Franklin - La Defense, 8 100-101 Quartier Boieldieu, 92042 Paris La Defense Cedex, Paris 92053, France	- do -	- do -	100	2(87)



Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
31.	Tata Consultancy Services Osterreich GmbH Schottengasse 1, 1010 Wien, Austria	- do -	- do -	100	2(87)
32.	Tata Consultancy Services Danmark ApS C/o CityCallCenter ApS, Hammerensgade 1, 2, 1267 Kobenhavn K, Denmark	- do -	- do -	100	2(87)
33.	Alti S.A. 88 de Villers, 92300 Levallois Perret, Paris, France	- do -	- do -	100	2(87)
34.	Planaxis Technologies Inc. 505, Boulevard de la Maisonneuve, Ouest H3A 3C2 Montréal (Quebec), Canada	- do -	- do -	100	2(87)
35.	ALTI HR S.A.S. 88, rue de Villiers, 92300 Levallois Perret, Paris, France	- do -	- do -	100	2(87)
36.	ALTI INFRASTRUCTURES SYSTEMES & RESEAUX S.A.S. 88, rue de Villiers, 92300 Levallois Perret, Paris, France	- do -	- do -	100	2(87)
37.	ALTI NV Lenneke Marelaan 6 – 1932 Sint-Stevens-Woluwe (Belgium)	- do -	- do -	100	2(87)
38.	Tescom (France) Software Systems Testing S.A.R.L. 88, rue de Villiers, 92300 Levallois Perret, Paris, France	- do -	- do -	100	2(87)
39.	ALTI Switzerland S.A. ALTI SWITZERLAND SA, avenue Louis-Casaï 18, 1209 Genève (Suisse)	- do -	- do -	100	2(87)
40.	TEAMLINK Lenneke Marelaan 6 – 1932 Sint-Stevens-Woluwe (Belgium)	- do -	- do -	100	2(87)
41.	TCS FNS Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	- do -	- do -	100	2(87)
42.	TCS Financial Solutions Australia Holdings Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	- do -	- do -	100	2(87)
43.	TCS Financial Solutions Australia Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	- do -	- do -	100	2(87)
44.	TCS Financial Solutions Beijing Co., Ltd. (04) Floor 3, 10 Futong East Street, Chaoyang District, Beijing, Peoples Republic of China	- do -	- do -	100	2(87)
45.	TCS Iberoamerica SA Colonia 1329; piso 3, Montevideo, Uruguay	- do -	- do -	100	2(87)
46.	TCS Solution Center S.A. Ruta 8 km 17500, Zonamerica, Ed 600, Uruguay	- do -	- do -	100	2(87)
47.	Tata Consultancy Services Argentina S.A. Uspallata 3046; Ciudad Autónoma de Buenos Aires, Argentina (CP: C1437JCU)	- do -	- do -	99.99	2(87)

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Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
48.	Tata Consultancy Services De Mexico S.A., De C.V. Av. Insurgentes Sur 664, 2nd Floor, Colonia Del Valle, México, D.F., México (Postal Code: 03100)	- do -	- do -	100	2(87)
49.	TCS Inversiones Chile Limitada Curico 18, Santiago, Chile	- do -	- do -	99.99	2(87)
50.	Tata Consultancy Services Do Brasil Ltda Av. Aruanã, 70. Tamboré - Barueri; São Paulo, Brazil (Postal Code: 06460-010)	- do -	- do -	100	2(87)
51.	Tata Consultancy Services Chile S.A. Curico 18, piso 3, Oficina 502, Santiago, Chile	- do -	- do -	100	2(87)
52.	TATASOLUTION CENTER S.A Francisco Salazar E10-61 and Camilo Destruge Building INLUXOR 7th Floor; Quito, Ecuador	- do -	- do -	100	2(87)
53.	TCS Uruguay S.A. Monte Caseros 2600, Montevideo, Uruguay (Postal Code: 11100)	- do -	- do -	100	2(87)
54.	Technology Outsourcing S.A.C. Av. Nicolas Ayllon N° 2491 (3er. Piso) El Agustino, Peru	- do -	- do -	100	2(87)
55.	MGDC S.C. Camino al iteso 8699 el mante tlaquepaque Jalisco, México, (Postal Code: 45609)	- do -	- do -	100	2(87)
56.	Tata America International Corporation 101, Park Avenue, 26th Floor, New York 10178, U.S.A.	- do -	- do -	100	2(87)
57.	CMC Americas Inc. 379 Thornall Street, Edison 08837, New Jersey, U.S.A.	- do -	- do -	100	2(87)
58.	TCS e-Serve America, Inc. Corporation Trust Center, 1209, Orange Street, Wilmington, New Castle County, Delaware – 19801 U.S.A.	- do -	- do -	100	2(87)
59.	CMC eBiz Inc 379 Thornall Street, Edison 08837, New Jersey, U.S.A.	- do -	- do -	100	2(87)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i.) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individuals / Hindu Undivided Family	0	0	0	0.000	0	0	0	0.000	0.000
(b) Central Government / State Governments(s)	0	0	0	0.000	0	0	0	0.000	0.000
(c) Bodies Corporate	1,445,125,286	0	1,445,125,286	73.341	1,444,515,152	0	1,444,515,152	73.310	(0.031)
(d) Financial Institutions / Banks	0	0	0	0.000	0	0	0	0.000	0.000
(e) Others - Trust	1,607,624	0	1,607,624	0.082	0	0	0	0.000	(0.082)
<b>Sub-Total (A) (1)</b>	<b>1,446,732,910</b>	<b>0</b>	<b>1,446,732,910</b>	<b>73.423</b>	<b>1,444,515,152</b>	<b>0</b>	<b>1,444,515,152</b>	<b>73.310</b>	<b>(0.113)</b>
<b>(2) Foreign</b>									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.000	0	0	0	0.000	0.000
(b) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
(c) Institutions	0	0	0	0.000	0	0	0	0.000	0.000
(d) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
(e) Any Other (specify)	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>1,446,732,910</b>	<b>0</b>	<b>1,446,732,910</b>	<b>73.423</b>	<b>1,444,515,152</b>	<b>0</b>	<b>1,444,515,152</b>	<b>73.310</b>	<b>(0.113)</b>
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds / UTI	21,568,174	1,773	21,569,947	1.095	18,522,768	1,773	18,524,541	0.940	(0.155)
(b) Financial Institutions / Banks	1,006,863	2,703	1,009,566	0.051	731,730	2,703	734,433	0.037	(0.014)
(c) Central Government / State Governments(s)	700,233	0	700,233	0.036	1,044,253	0	1,044,253	0.053	0.017
(d) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(e) Insurance Companies	78,604,759	0	78,604,759	3.989	86,330,709	0	86,330,709	4.381	0.392
(f) Foreign Institutional Investors	200,246,839	0	200,246,839	10.163	35,648,888	0	35,648,888	1.809	(8.354)



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Category of Shareholders		No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year (01.04.16 31.03.17)
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g)	Foreign Venture Capital Investors	0	0	0	0.000	0	0	0	0.000	0.000
(h)	Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
(l)	Foreign Portfolio Investors (Corporate)	131,330,700	0	131,330,700	6.665	297,284,243	0	297,284,243	15.087	8.422
(j)	Any Other (specify)									
<b>Sub-Total (B) (1)</b>		<b>433,457,568</b>	<b>4,476</b>	<b>433,462,044</b>	<b>21.999</b>	<b>439,562,591</b>	<b>4,476</b>	<b>439,567,067</b>	<b>22.307</b>	<b>0.308</b>
<b>(2) Non-Institutions</b>										
(a)	Bodies Corporate	6,752,570	207,186	6,959,756	0.353	4,657,240	207,186	4,864,426	0.247	(0.106)
(b)	Individuals									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	64,948,729	948,677	65,897,406	3.344	62,098,566	912,518	63,011,084	3.198	(0.146)
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	14,112,114	0	14,112,114	0.716	14,091,398	0	14,091,398	0.715	(0.001)
(c)	Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
(d)	Any Other	0	0	0	0.000	0	0	0	0.000	0.000
i	Trusts	1,804,991	0	1,804,991	0.092	2,295,183	0	2,295,183	0.116	0.024
ii	Foreign Companies	28	0	28	0.000	28	0	28	0.000	0.000
iii	Clearing Members / Clearing House	1,458,692	0	1,458,692	0.074	2,083,603	0	2,083,603	0.106	0.032
<b>Sub-total (B) (2)</b>		<b>89,077,124</b>	<b>1,155,863</b>	<b>90,232,987</b>	<b>4.579</b>	<b>85,226,018</b>	<b>1,119,704</b>	<b>86,345,722</b>	<b>4.382</b>	<b>(0.197)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>		<b>522,534,692</b>	<b>1,160,339</b>	<b>523,695,031</b>	<b>26.578</b>	<b>524,788,609</b>	<b>1,124,180</b>	<b>525,912,789</b>	<b>26.690</b>	<b>0.112</b>
<b>TOTAL (A)+(B)</b>		<b>1,969,267,602</b>	<b>1,160,339</b>	<b>1,970,427,941</b>	<b>100.000</b>	<b>1,969,303,761</b>	<b>1,124,180</b>	<b>1,970,427,941</b>	<b>100.00</b>	<b>0.000</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.000	0	0	0	0.000	0.000
<b>GRAND TOTAL (A)+(B)+(C)</b>		<b>1,969,267,602</b>	<b>1,160,339</b>	<b>1,970,427,941</b>	<b>100.000</b>	<b>1,969,303,761</b>	<b>1,124,180</b>	<b>1,970,427,941</b>	<b>100.00</b>	<b>0.000</b>

ii) Shareholding of Promoters (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the end of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Tata Sons Limited	1,443,451,698	73.26	2.31	1,443,451,698	73.26	2.13	0.00
2	Jamsetji Tata Trust	1,160,280	0.06	0.00	0	0.00	0.00	(0.06)
3	Tata Industries Limited	363,700	0.02	0.00	3,700	0.00	0.00	(0.02)
4	AF-Taab Investment Company Limited	611,352	0.03	0.00	484,902	0.02	0.00	(0.01)
5	Tata Investment Corporation Limited	590,452	0.03	0.00	550,000	0.03	0.00	0.00
6	Navajbai Ratan Tata Trust	447,344	0.02	0.00	0	0.00	0.00	(0.02)
7	Tata International Limited	83,232	0.00	0.00	0	0.00	0.00	0.00
8	Tata Steel Limited	24,400	0.00	0.00	24,400	0.00	0.00	0.00
9	The Tata Power Company Limited	452	0.00	0.00	452	0.00	0.00	0.00
	<b>Total</b>	<b>1,446,732,910</b>	<b>73.42</b>	<b>2.31</b>	<b>1,444,515,152</b>	<b>73.31</b>	<b>2.13</b>	<b>(0.11)</b>

iii) Change in Promoters' (including Promoter Group) Shareholding (please Specify, if there is no change)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	AF-Taab Investment Company Limited	611,352	0.03					611,352	0.03
				26.08.2016	Sale of Shares	(6,450)			
				16.09.2016	Sale of Shares	(80,000)			
				23.09.2016	Sale of Shares	(260,000)			
				30.09.2016	Purchase of shares	2,20,000			
							0.01	484,902	0.02
2	Tata Industries Limited	363,700	0.02					363,700	0.02
				20.01.2017	Sale of Shares	(250,000)			
				24.01.2017	Sale of Shares	(110,000)			
							0.02	3,700	0.00
3	Jamsetji Tata Trust	1,160,280	0.06					1,160,280	0.06
				20.05.2016	Sale of Shares	(118,500)			
				27.05.2016	Sale of Shares	(1,041,780)	0.06	0	0.00

# TATA CONSULTANCY SERVICES LIMITED

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Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4	Tata Investment Corporation Ltd	590,452	0.03					590,452	0.03
				23.09.2016	Sale of Shares	(40,452)	0.00	550,000	0.03
5	Navajbai Ratan Tata Trust	447,344	0.02					447,344	0.02
				20.05.2016	Sale of Shares	(48,100)			
				27.05.2016	Sale of Shares	(399,244)	0.02	0	0
6	Tata International Limited	83,232	0.00					83,232	0.00
				29.04.2016	Sale of Shares	(83,232)	0	0	0

#### iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holder of GDRs and ADRs):

Sr. No.	Top Ten Shareholders*	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding at end of the year 31.03.2017	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Life Insurance Corporation of India	58,521,537	2.97	71,841,104	3.65
2	First State Investments ICVC- Stewart Investors Asia Pacific Leaders Fund (formerly National Westminster Bank Plc As Depository of First State Asia Pacific Leaders Fund a sub Fund of First State Investments ICVC)	8,285,641	0.42	16,035,510	0.81
3	Abu Dhabi Investment Authority**	14,165,505	0.72	11,033,526	0.56
4	Lazard Emerging Markets Portfolio (formerly Lazard Asset Management LLC A/C Lazard Emerging Markets Portfolio)	7,682,828	0.39	10,532,329	0.53
5	Government of Singapore**	11,299,187	0.57	9,857,425	0.50
6	Oppenheimer Developing Markets Fund	8,309,112	0.42	9,472,685	0.48
7	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	7,211,765	0.37	7,500,802	0.38
8	Europacific Growth Fund	7,966,000	0.40	6,854,315	0.35
9	Aberdeen Global Indian Equity Limited (formerly Aberdeen Global Indian Equity (Mauritius) Limited)	7,122,473	0.36	6,272,473	0.32
10	Copthall Mauritius Investment Limited	7,361,719	0.37	6,107,314	0.31

\* The shares of the Company are traded on daily basis and hence the datewise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

\*\* Various other accounts

**v) Shareholding of Directors and Key Managerial Personnel:**

SR. No	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding at the end of the year 31.03.2017	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Directors</b>							
1	Mr. Cyrus Pallonji Mistry*	01-Apr-2016		4,163,526	0.21	4,163,526	0.21
		13-Dec-2016				4,163,526	0.21
2	Mr. N Chandrasekaran	01-Apr-2016		88,528	0.00	88,528	0.00
		31-Mar-2017				88,528	0.00
3	Mr. Ishaat Hussain	01-Apr-2016		1,740	0.00	1,740	0.00
		31-Mar-2017				1,740	0.00
4	Ms. Aarthi Subramanian	01-Apr-2016		2,800	0.00	2,800	0.00
		31-Mar-2017				2,800	0.00
5	Mr. Rajesh Gopinathan	01-Apr-2016		1,130	0.00	1,130	0.00
		31-Mar-2017				1,130	0.00
6	Mr. N Ganapathy Subramaniam	01-Apr-2016		98,880	0.00	98,880	0.00
		31-Mar-2017				98,880	0.00
<b>Key Managerial Personnel</b>							
1	Mr. Ramakrishnan V	01-Apr-2016		300	0.00	300	0.00
		31-Mar-2017				300	0.00

\* ceased to be Director w.e.f. 13.12.2016

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Note 1	Note 2	Note 3	
Indebtedness at the beginning of the financial year				
i) Principal Amount	177	2	12	191
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>177</b>	<b>2</b>	<b>12</b>	<b>191</b>
Change in Indebtedness during the financial year				
• Addition	0	198	0	198
• Reduction	(127)	0	(9)	(136)
<b>Net Change</b>	<b>(127)</b>	<b>198</b>	<b>(9)</b>	<b>62</b>
Indebtedness at the end of the financial year				
i) Principal Amount	50	200	3	253
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>50</b>	<b>200</b>	<b>3</b>	<b>253</b>

**Notes:**

- 1) These liabilities represent obligations under finance lease including current portion of obligations of ₹ 50 crore as of March 31, 2017.
- 2) These represent the bank overdraft of ₹ 200 crore and other borrowings as of March 31, 2017.
- 3) These are deposits received on account of sub-lease of premises and from vendors for contracts to be executed.



# TATA CONSULTANCY SERVICES LIMITED

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## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. N. Chandrasekaran (Chief Executive Officer and Managing Director upto February 21, 2017)	Mr. Rajesh Gopinathan Chief Executive Officer and Managing Director (w.e.f February 21, 2017)#	Mr. N. Ganapathy Subramaniam Chief Operating Officer and Executive Director (w.e.f February 21, 2017)##	Ms. Aarthi Subramanian, Executive Director	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	244.93	66.68	76.06	81.69	469.36
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.35	0.40	0.40	0.40	1.55
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity					
4	Commission	2,500.00	400.00	350.00	200.00	3,450.00
	- as % of profit	0.084	0.013	0.012	0.007	0.116
5	Others, Allowances	270.00	155.55	188.90	89.80	704.25
	<b>Total (A)</b>	<b>3,015.28</b>	<b>622.63</b>	<b>615.36</b>	<b>371.89</b>	<b>4,625.16</b>
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)					2,97,699.16

# The remuneration includes compensation for full year i.e., as Chief Financial Officer from April 1, 2016 to February 21, 2017 and as Chief Executive Officer and Managing Director from February 21, 2017 to March 31, 2017

## The remuneration includes compensation for full year i.e., as President, Financial Services from April 1, 2016 to February 21, 2017 and as Chief Operating Officer and Executive Director from February 21, 2017 to March 31, 2017

### B. Remuneration to other directors:

(₹ lakh)

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	<b>Independent Directors</b>				
	Mr. Aman Mehta	6.30	265.00	-	271.30
	Mr. V. Thyagarajan	6.90	180.00	-	186.90
	Prof. Clayton M. Christensen	1.80	135.00	-	136.80
	Dr. Ron Sommer	5.40	190.00	-	195.40
	Dr. Vijay Kelkar	4.80	170.00	-	174.80
	Mr. O. P. Bhatt	7.50	170.00	-	177.50
	<b>Total (1)</b>	<b>32.70</b>	<b>1,110.00</b>	<b>-</b>	<b>1,142.70</b>
2	<b>Other Non-Executive Directors</b>				
	Mr. N. Chandrasekaran	0.90	-	-	0.90
	Mr. Cyrus Mistry	1.80	-	-	1.80
	Mr. Ishaat Hussain	6.90	210.00	-	216.90
	Mr. Phiroz Vandrevala	0.60	15.00	-	15.60
	<b>Total (2)</b>	<b>10.20</b>	<b>225.00</b>	<b>-</b>	<b>235.20</b>
	<b>Total (B)=(1 + 2)</b>	<b>42.90</b>	<b>1,335.00</b>	<b>-</b>	<b>1,377.90</b>
	<b>Total Managerial Remuneration</b>		<b>1,335.00</b>	<b>-</b>	
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)		<b>29,769.92</b>		

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

(₹ lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Rajesh Gopinathan Chief Financial Officer (From April 1, 2016 to February 21, 2017)*	Mr. Ramakrishnan V, Chief Financial Officer (w.e.f February 21, 2017)**	Mr. Suprakash Mukhopadhyay, Global Treasury Head and Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	66.68	43.43	35.13	145.24
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.40	-	26.72	27.12
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	400.00 0.013	-	-	400.00 0.013
5	Others, Allowances	155.55	193.07	170.60	519.22
	<b>Total</b>	<b>622.63</b>	<b>236.50</b>	<b>232.45</b>	<b>1,091.58</b>

\* The remuneration includes compensation for full year i.e., as Chief Financial Officer from April 1, 2016 to February 21, 2017 and as Chief Executive Officer and Managing Director from February 21, 2017 to March 31, 2017.

\*\*The remuneration includes compensation for full year i.e., as Vice President-Finance from April 1, 2016 to February 21, 2017 and as Chief Financial Officer from February 21, 2017 to March 31, 2017.

Note: Please refer to the note given under section III. iv. b. of the Corporate Governance Report.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

**Form No. MR-3**  
**Secretarial Audit Report**  
**For The Financial Year Ended 31st March, 2017**

(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

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To,  
The Members,  
Tata Consultancy Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Consultancy Services Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2017 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (vi) Other laws specifically applicable to the Company namely:-
- (a) Information Technology Act, 2000 and the rules made thereunder;
  - (b) Special Economic Zones Act, 2005 and the rules made thereunder;
  - (c) Software Technology Parks of India rules and regulations
  - (d) The Indian Copyright Act, 1957
  - (e) The Patents Act, 1970
  - (f) The Trade Marks Act, 1999

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However, the Company has spent an amount of ₹380 crore against the amount of ₹446 crore to be spent during the year towards Corporate Social Responsibility, for which an explanation has been provided in the Directors' Report. Further, the Company was unable to file certain forms with the Ministry of Corporate Affairs (MCA), due to technical issues at the MCA's end.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc .

We further report that during the audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

The Board of Directors of the Company has approved buyback of equity shares of the Company by way of a Tender Offer route through Stock Exchange Mechanism.

For Parikh & Associates  
Company Secretaries

P. N. Parikh  
Partner

Mumbai, April 18, 2017

FCS No: 327 CP No: 1228

*This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.*



## 'Annexure A'

To,  
The Members  
Tata Consultancy Services Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates  
Company Secretaries

P. N. Parikh  
Partner

Mumbai, April 18, 2017

FCS No: 327 CP No: 1228



# Management Discussion and Analysis

TCS House, Mumbai

## Management Discussion and Analysis

### 1.0 Overview of the Industry

In FY 2017, the global market for Outsourced IT-BPM services grew by 3.9% over the prior year, to \$1.2 Trillion.<sup>1</sup> Within that larger market, IT Services grew by 2.5% year on year, driven largely by cloud adoption and package implementation. Business Process Management (BPM) grew by 4% over the prior year.

It is worth noting that in a largely fragmented market landscape, TCS has historically grown much faster than the market, driven by significant market share gains on account of a superior execution model. In the latest five-year period, while the market has expanded by a CAGR of 1.7%<sup>1</sup> (IT Services CAGR: 0.5%), TCS showed a CAGR of 11.6% in USD terms.

Growth drivers for the industry in FY 2017 remained largely the same as in the prior years, which are efficiency spends and transformational spends of customers. The broad components of industry growth drivers are listed below.

IT Services	IT Infrastructure Services	Business Process Services
<ul style="list-style-type: none"> <li>· Digital transformation</li> <li>· Core system renovation</li> <li>· Simplification, automation, efficiency</li> </ul>	<ul style="list-style-type: none"> <li>· Cloud adoption</li> <li>· IT infrastructure rationalization</li> <li>· Market penetration</li> </ul>	<ul style="list-style-type: none"> <li>· Robotic and cognitive automation</li> <li>· Analytics</li> <li>· Regulatory and compliance</li> </ul>

### 2.0 Our business

#### a. An overview

Tata Consultancy Services is an IT services, consulting, and business solutions organization offering transformational as well as outsourcing services to global enterprises.

TCS uses its global delivery capability and full services<sup>2</sup> portfolio – consulting and enterprise solutions, application development and maintenance, assurance services, engineering and industrial services, IT infrastructure services, business process services, and asset leveraged solutions – to deliver high quality, high impact solutions leveraging the latest technologies to customers across multiple regions and industry verticals.

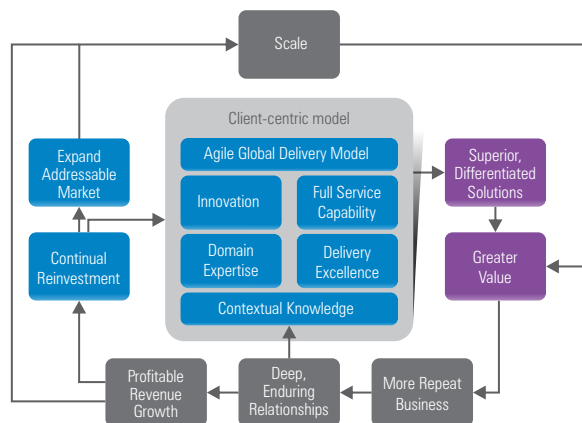
Our geographic footprint consists of North America, Latin America, the United Kingdom, Continental Europe, Asia-Pacific, India, and Middle East and Africa.

TCS considers industry verticals as the primary segment for the business. The four key verticals are: Banking, Financial Services, and Insurance (BFSI); Retail and Consumer Business; Communications, Media, and Technology; Manufacturing; and Others. Others includes Life Sciences and Healthcare; and Energy, Resources, and Utilities.

#### b. Strategy

Customer-centricity is at the core of TCS' strategy and drives all investment decisions. The philosophy is to be technology agnostic and to keep investing in building capabilities in newer areas that customers are looking at, so we can continually expand our participation in customers' spend and stay relevant to them through business and technology cycles. The outcome of our strong relationship focus and unwavering pursuit of execution excellence is a superior service experience for our customers and long, enduring relationships.

This strategy may be visually represented as below:



[1] Source: NASSCOM Strategic Review FY 2017

[2] See Glossary for description of service lines

A more detailed breakup of the various elements of strategy, their outcomes, and the validation metrics is provided below:

Strategic Element	Outcomes	Validation Metrics
Continually investing in improving our customer-centric execution capabilities by: <ul style="list-style-type: none"> <li>Focusing on delivery excellence</li> <li>Deepening domain expertise</li> <li>Offering a full services capability, delivered through an agile, globally distributed delivery model</li> <li>Building innovative IP and solution frameworks that leverage our domain expertise, contextual knowledge, and our technology skills</li> </ul>	Superior, differentiated outcomes Increased customer satisfaction levels Deep, enduring relationships Improved share of wallet More defendable share of wallet	Superior client metrics Strong references and testimonials Growing revenue from Digital engagements Resilient pricing Superior margins Sustainability of margins
Investing to expand our addressable market by: <ul style="list-style-type: none"> <li>Acquiring new clients in existing geographies and verticals</li> <li>Scaling newer geographies and industry verticals</li> <li>Building new capabilities and launching new business models that leverage our core strengths</li> </ul>	Diversified, de-risked revenue base Greater scale of operations More headroom for sustainable growth Greater resiliency through different business cycles	Change in segmental mix over time  Market share by geography and verticals

### 3.0 Leading in a Digital world

TCS has successfully navigated through multiple technology cycles over the last five decades, pivoting and adapting each time to build relevant new capabilities and helping our clients realize the benefits of that new technology. Our responsiveness, agility, and adaptability to change have been core to our longevity.

With clients launching large scale Digital transformation programs that have deep, complex interlinkages to existing systems, our contextual knowledge, depth, and scale in Digital capabilities position us uniquely to meet their need for certainty and quick time to market. In certain industry verticals like Financial Services and Retail, TCS has gained a significant share of wallet and is the preferred partner for global companies in their Digital initiatives.

In the below sections, we discuss the key strategic decisions and investments which gave TCS a head start in racing to the leadership position.

#### a. Strategic decisions

Three key strategic decisions taken in the past decade have played a major role in TCS' ability to successfully navigate this latest technology change to gain leadership in the Digital era:

Strategic Decision	What TCS did	Why it matters now
Shift to solution-selling	<p>For over a decade, TCS has been steadily building solutioning skills as well as solution-selling capabilities, and developing business-focused bespoke software solutions for customers.</p> <p>This transformation entailed developing a deep contextual understanding of the business need, crafting a technology solution to address that need, and selling a business value proposition to a broader set of stakeholders in the client organization.</p>	<p>Enterprises are consuming Digital services not so much in the form of discrete technology skills, but more as holistic business solutions encompassing multiple technologies and services, to serve a greater transformational need.</p> <p>Experience in selling solutions for over a decade has positioned TCS very well to participate in the opportunity that Digital adoption has presented, selling to Business Heads, COOs, CFOs, CMOs, and other CXOs, gaining share from others who are attempting that shift only now.</p>
Full Services Capability	<p>In 2005, TCS took a strategic decision to build capabilities in adjacent areas like IT Infrastructure Services and Business Process Services. In the last few years, these service lines have grown very well and today make up nearly a fourth of our revenue.</p>	<p>The end-to-end capability allows TCS to develop comprehensive Digital solutions that best suit clients' longer-term business requirements, and are free from biases or capability constraints.</p>



Strategic Decision	What TCS did	Why it matters now
Customer-centric organization structure	<p>Reorganizing TCS into multiple verticalized business units in 2008, brought about greater customer centricity – which allowed for building deep contextual knowledge – while at the same time creating a deep and broad pool of domain experts in each industry vertical.</p> <p>Proximity to clients has helped identify opportunities better addressed with software products and platforms. TCS has a differentiated portfolio of top performing, industry specific IP, products and platforms. (See page 69.)</p>	<p>The customer's purchase decision when it comes to Digital solutions is based on the quality of the solution proposed, the contextual understanding demonstrated by TCS, and the business value that the solution represents.</p> <p>The verticalized, client-centric model has allowed TCS to be very proactive in creating bespoke solutions leveraging our unique contextual knowledge of a client's business. TCS' portfolio of products and platforms has helped establish the Company's domain expertise. Asset leveraged solutions help deliver quicker time to market to clients looking for a competitive edge.</p>

**b. Strategic Investments**

In this decade, TCS recognized the potential of Digital technologies long before the word itself gained mainstream currency, and made investments ahead of time<sup>3</sup> in building relevant capabilities. Those early investments gave TCS a head start in participating in our customers' Digital journeys. As those journeys progressed and every large enterprise embarked on ambitious Digital transformation programs, we scaled up our investments and transformed<sup>4</sup> ourselves to ensure that we had what it took to partner with them.

As detailed in the Annual Report for FY 2016, the investments have been in the following areas:

- Gaining scale on newer technologies and capabilities through a massive reskilling exercise and hiring individuals with specialized skills
- Re-tooling the Global Network Delivery Model (GNDM™) to incorporate greater levels of automation and collaborative workspaces for adoption of Agile and DevOps models
- Building intellectual property (IP) and solution frameworks leveraging our deep domain expertise, technology depth, and partner-solutions from our Co-Innovation Network (TCS COIN™).
- Setting up unique co-innovation workspaces designed to encourage joint ideation, creativity, participation, and collaboration with clients.

**c. Outcomes**

Today, TCS has a significant market share in the Digital space. Over 55% of our customers, spanning every single industry vertical, have engaged TCS to partner them in their Digital journey. Revenues from Digital engagements constituted 16.7% of the Company's revenues in FY 2017, growing by 28.8% in constant currency over FY 2016.

Customers are recognizing TCS' capacity for innovation. In November 2016, GE awarded TCS the Digital Innovator of the Year for Ecosystem Excellence. "As a strategic GE Digital partner, TCS is a leading contributor to advancing the industrial app economy. It's Digital Store—an innovative and differentiated approach to application development—includes more than 150 applications, including 50 implemented on the Predix platform," their announcement<sup>5</sup> read.

The growing market share in Digital and glowing client testimonials of TCS' capabilities are also reflected in the high rankings assigned to TCS in the various competitive assessments pertaining to Digital capabilities, published by various industry analyst firms. In FY 2017, TCS was ranked a Leader among peers in 21 competitive assessments in Digital areas such as Big Data and Analytics (5), IoT (5), Digital Services (4), Mobility (3), Digital Marketing (2), Cloud (1), and Cyber security (1).

"TCS has demonstrated exceptional contextual knowledge in building a suite of digital solutions on the TCS Digital Store, leveraging GE's Predix platform for the Industrial Internet... TCS' capacity for innovation, broad expertise using Predix and strong track record in driving digital transformation for their customers makes them a significant player within our partner ecosystem."

— Bill Ruh, CEO - GE Digital

**4.0 Talent acquisition, Talent Development, and Retention**

At a time of profound and rapid technology change, TCS' HR strategy is focused on providing our global, diverse workforce a stimulating environment which is flexible, nurtures social contract, fosters innovation, builds a result-

[3] Ref MD&A – AR FY 2011, CEO's Letter – AR FY 2012  
 [4] See Pages 17 to 32 for insights of the transformation underway at TCS  
 [5] <https://www.ge.com/digital/blog/introducing-2016-digital-innovator-year-award-winners>

oriented, high performance culture, and motivates today's multi-generational and mobile workforce to develop themselves personally and professionally.

The Company has been leveraging Digital technologies extensively to reimagine its talent acquisition, talent development, and engagement functions. This, and our traditional philosophy of empowering individuals and helping them realize their potential, has made TCS' HR processes and outcomes an industry benchmark. See Reimagining Talent Management on Page 30.

#### a. Talent Acquisition

TCS' talent acquisition strategy is to hire the right competencies required by the business at the right time. In FY 2017, we hired and integrated 78,912 employees – 67,328 in India and 11,584 outside India – a judicious mix of experienced professionals and trainees.

Besides being the largest IT recruiter in India for the last many years, we believe we are also the largest net recruiter in the IT Services industry in the US in FY 2017.

TCS continues to remain 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 has also been recruiting graduates from the Top 10 B-Schools in the US for key business roles.

Academic institutes are key partners in TCS' talent acquisition strategy. Our Academic Interface Program (AIP) is a structured approach to building strong, enduring relationships with top universities globally. In FY 2017, our AIP outreach covered a total of 1,232 institutes globally through both student and faculty-focused activities like workshops, internships, sponsorship of contests, faculty development programs, research scholarships, curriculum review, establishing technical institutes, and so on.

Campus Commune, our unique student engagement portal that helps students collaborate and network with their peer groups globally now has over 1 million students in 19 countries as registered users. It also helps them in Digital learning through webinars, educational videos, and blog posts by experts in various fields, grooming them for the ensuing professional life.

We use programming contests such as TESTimony, EngiNx, GameOn, and CodeVita to spot and hire top talent. In FY 2017, we recruited over 1,100 crack programmers through this gamified approach. CodeVita,

the global programming competition organized through Campus Commune has found its place in the Limca Book of Records. Running for 5 seasons, it witnessed over 260,000 registrations from more than 3,000 colleges across 18 countries in FY 2017.

#### b. Talent Diversity

TCS is an Equal Opportunity Employer and subscribes to the Tata Code of Conduct in embracing diversity in race, nationality, religion, ancestry, marital status, gender, age, ethnic origin, physical ability, and sexual orientation. Compensation levels are merit-based, determined by qualification, experience levels, special skills if any, and performance. Gender and any of the other diversity parameters do not play a part in determining compensation levels. TCS has a well-defined Diversity and Inclusion Policy.

TCS' diversity-focused talent acquisition strategy has resulted in greater diversity of gender, geographic locations, and academic discipline. TCS is today one of the world's largest employer of women.

"Huge congratulations to TCS ... They have demonstrated a commitment to fundamentally changing workplace processes and cultures to make them inclusive to all, benefitting women and men at every level in their organization, and I hope they inspire other employers to do the same."

— Kathryn Nawrockyi,  
Gender Equality Director Business in the Community, UK

Progressive policies such as extended parental leave, special focus on security of women employees, mentoring program for junior women employees (nWin), discussion circles to help women through major life stages; a reorientation program to re-connect employees after long leave; projecting profiles of inspirational women leaders (Be-Inspired); special leadership development programs to address the needs and aspirations of women; a learning module to equip mid-level managers to work with diverse teams; a virtual support group called 'Workplace Parents Group' on child psychology; and parenting workshops for working parents have all gone toward making the workplace more gender-equal.

TCS was named as one of the UK's leading employers for women in *The Times Top 50 Employers for Women*, in recognition of our commitment to gender equality and for providing women avenues to pursue their professional aspirations.

TCS celebrated the second anniversary of its all-women BPS and IT Centre at Riyadh, Saudi Arabia. The center employs over 1,000 women, of which 85% are local hires. This innovative socio-economic development model promotes long-term career opportunities for Saudi women.

Our Center of Excellence for Accessibility works on IT solutions for differently-abled individuals, aiding their integration into the workforce.

In addition to building diversity within our own workforce, TCS works actively to encourage greater diversity in the workforce in the communities we work in. More details are available in the Corporate Sustainability section of this report.

### c. Talent Development

There are only legacy technologies, no legacy people.  
— N Chandrasekaran, Chairman, TCS

Investment in human capital by equipping employees with skills – soft skills, design skills, multi-technology skills, and domain skills – has been one of the biggest drivers of value creation at TCS. TCS has navigated through the Digital wave by investing in re-skilling its workforce and working to continually deepen and broaden employees' skills in those new technologies. The sheer scale and rapidity of technology change has required a reimagined approach to reskilling, quickly and on scale. More details are provided on pages 30-31.

**Leadership training** is a big focus area for TCS. A newly designed Leadership Development Program (LDP) for entry-level managers has been launched globally. The reach of LDP for middle-level managers has been expanded. A number of senior leaders at TCS are certified coaches, and they mentor and coach upcoming leaders. A special program designed for grooming mid-level women managers for leadership roles has started showing positive results.

**Cultural and Language Initiatives (CLI)** focus on the three Cs - culture, communication, and collaboration. Some of these initiatives are: country-specific 'culture shots' offering training for first-time visitor to a new country, training on English language for non-English speaking employees, and training on 11 foreign languages.

### d. Career Management

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

- 'CareerHub' is a platform that captures employees' career aspirations and provides mentoring services. Employees can

choose their own mentor based on a match with their aspirational skill sets.

- **Inspire:** A specialized program used to groom and provide fast-track career progression to high potential employees.
- **Structured coaching programs** at senior leadership levels to make them realize their full potential.
- **Leadership review and assessment profile** of all leaders to maintain a healthy succession pipeline.

### e. Talent Engagement

Some of the platforms and initiatives we have at TCS to enhance and enrich employee engagement are:

- **Knome, KnowMax, GEMS:** Platforms for social collaboration within the organization, learning, sharing, and for reward 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:** Helps in improving employee bonding within the organization and promoting work-life balance, thereby, increasing employee retention.
- **PULSE:** Our annual employee engagement and satisfaction survey; the organization's formal listening forum.

### f. Talent Retention

TCS' employee retention record has been an industry benchmark, with our attrition rates being the lowest in the industry.

In FY 2017, TCS' attrition rate in IT Services was 10.5% and overall attrition, and including BPS was 11.5% (FY 2016: 14.7% and 15.5% respectively). This is not only a best-in-class metric, but also the lowest attrition rate at TCS in the last three years.

### g. Compliance

A robust internal check process is deployed to prevent and limit the risk of non-compliance. TCS' HR Compliance Cell tracks the various acts and laws pertaining to immigration, employment, and labor, in all the countries of operation. The Company approaches compliance from both, reactive and proactive standpoints.

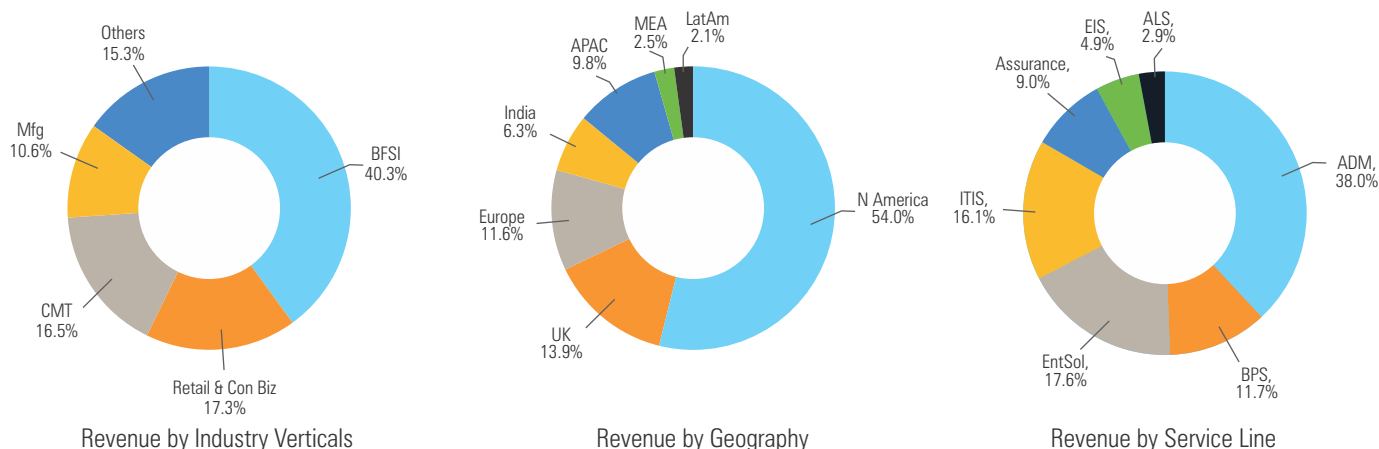
## 5.0 FY 2017 Revenue Performance

TCS' consolidated revenue in FY 2017 was ₹ 117,966 crore (FY 2016: ₹ 108,646 crore), a revenue growth of 8.6% (FY 2016: 14.8%).

Movements in currency exchange rates through the year resulted in a positive impact of +0.3% on the revenue. The constant currency revenue

growth for the year, which is reported revenue growth stripped of the currency impact, was 8.3%.

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



Details of the Company's Financial Performance are provided in Section 8.0. The current section covers the nature of demand for our services this year that drove our revenue performance and segmental performance, along with qualitative commentary.

### a. Segmental Performance

Industry verticals make up the primary reporting segments for TCS.

From a segmental point of view, with the exception of the Retail and Consumer Business segment, all the other segments contributed revenue growth close to the company average or higher. In particular, the Manufacturing, Life Sciences (including healthcare), and Energy, Resources, & Utilities verticals grew in the mid-teens or above.

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

Please note that the HiTech segment has been reclassified under the Communication, Media, and Technology (previous reported as Telecom, Media, and Entertainment) reportable segment. Likewise, the Travel, Transportation, and Hospitality segment has been reclassified under Retail and Consumer Business (previously reported as Retail and Consumer Packaged Goods).

(₹ crore)

Industry Vertical	FY 17 Segment Revenue (FY 16)	YoY Rev Growth	Commentary	FY 17 Segment Margin % (FY 16)
Banking, Financial Services, and Insurance	47,505 (44,163)	7.6%	The BFSI industry revenue growth has been in line with the Company's overall growth. Focus on cost optimization, simplification and agility led to greater spending on automation and cloud adoption. Risk management and compliance continues to drive spending. However, uncertainties arising from key political events like Brexit and US elections led to holding back of discretionary spending – especially by large global banks – on account of which revenue growth in FY 2017 was lower than that in FY 2016.	27.6% (29.0%)
Manufacturing	12,486 (10,909)	14.5%	The Manufacturing business segment significantly outperformed the rest of the Company in terms of revenue growth, driven by (a) cloud adoption and core system modernization, (b) IT integration in M&A scenarios, (c) greater demand for embedded software and (d) Digital adoption (IoT, robotics, AI, and so on). TCS' successful leverage of domain expertise, technology depth. IP and consulting capability helped the organization win key transformational deals.	28.4% (26.7%)



Industry Vertical	FY 17 Segment Revenue (FY 16)	YoY Rev Growth	Commentary	Segment Margin %
Retail and Consumer Business	20,459 (19,204)	6.5%	After years of outperformance, the Retail and Consumer Business segment underperformed this year, with revenue growth lagging behind the Company average, mainly on account of a slowdown in the Retail sector. Buffeted by weak sales and strong competition from online players, traditional retailers are cutting operating expenses as evidenced by news of store closures and layoffs by major retailers in the US and elsewhere. Clients continue to invest in their Digital programs but the spending is under pressure.	28.1% (27.6%)
Communication, Media, and Technology	19,521 (18,040)	8.2%	The Communication, Media and Technology segment had revenue growth in line with the Company average after many years of underperformance. Growing convergence of the telecom and media worlds is resulting in greater investments – largely Digital - in moving upstream and into adjacencies. TCS' strong domain expertise and intellectual property is also giving us better traction in this segment.	28.2% (28.6%)
Others	17,995 (16,330)	10.2%	Under Others, the biggest components namely, Life Sciences & Healthcare and Energy, Resources & Utilities grew by 14% and 18% respectively, driven by our continued demonstration of deep domain expertise, capacity for innovation and intellectual property in the respective areas. Overall growth was dragged down by the miscellaneous segment which declined year on year.	24.0% (26.1%)

The key areas of customer spending that drove across the different verticals this year were:

- Experience first: Customer-centric initiatives focusing on superior user experience in an omni-channel context
- Business model transformations and strategic investments in response to new, technology-led disruptions
- Data for competitive advantage: Investments in enterprise data fabric and insights platforms
- Supply chain transformation for greater responsiveness and to realize omni-channel proposition
- Modernization of core systems to support Digital strategies and enable innovation in product development
- Governance, Risk, and Compliance (GRC) initiatives in industries like BFSI, and Life Sciences and Healthcare, in response to a shifting regulatory environment
- Enterprise-wide Agile delivery model adoption for quicker time to market and for constant innovation
- Automation, simplification, rationalization, shared services, and cloud-first strategies to optimize cost and bring agility

b. TCS Products and Platforms

New customers

**95+** in **FY 17**

Patents

**3,359** filed | **478** granted

**iON™ Assessment:**

- Over **81 million** candidates assessed

**TCS' Advanced Drug Development Platform:**

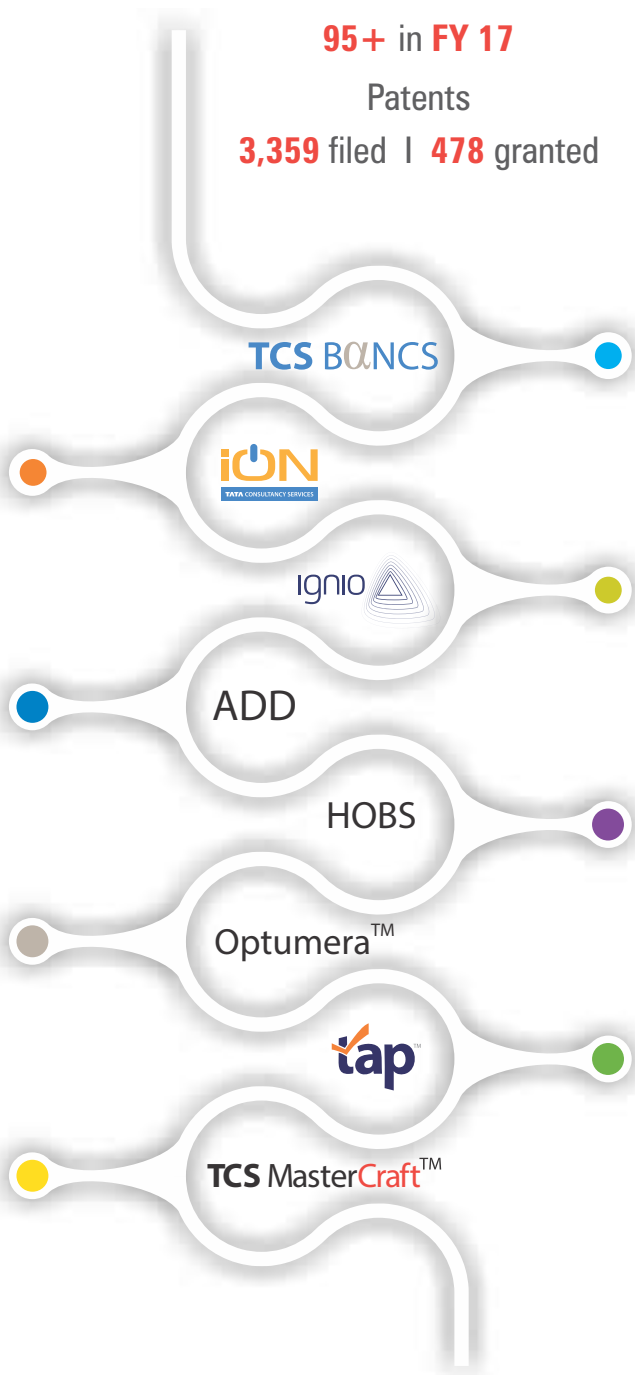
- Transforming clinical research, by harnessing digital technologies to minimize human intervention
- **11** global customers including two new customers in **Q4** in **FY17**
- Handled data of over **65,000** patients

**Optumera™ :**

- Digital merchandising suite
- **5** of the world's leading retail customers

**TCS MasterCraft™ :**

- Digital platforms to optimally automate and manage IT processes
- **80** customers including **20** new customers in **FY17**
- Over **130** patents filed



**TCS BaNCS**

**TCS BaNCS:**

- The universal financial platform
- Processed more than **1.3bn** global accounts, comprising approximately **15%** of the global population
- **22** new customers in **FY17**
- TCS BaNCS Insurance serviced **20mn** life annuity and pension policies, and **135mn** property policies

**iON**  
TATA CONSULTANCY SERVICES

**Ignio**

**Ignio™:**

- World's first neural automation system for IT operations in enterprises
- **17** new customers in **FY17**
- **71** patents filed

**ADD**

**HOBS**

**TCS HOBS:**

- Pre-integrated end-to-end platform for telecom business and operations support systems
- **8** new customers in **FY17**
- Filed **2** new patents

**Optumera™**

**tap**

**TAP™ :**

- Accounts payable platform
- Processed over **20mn** accounts in **FY17**

**TCS MasterCraft™**

**6.0 Business Outlook**

The world output is expected to accelerate to 3.4%<sup>6</sup> in 2017, with across the board acceleration in GDP growth. The advanced economies as a set are expected to grow by 1.9%, a 30 bps acceleration year on year. However, within that set, the outlook is mixed, with US accelerating to 2.3% while the UK and Euro Area are expected to decelerate year on year to 1.5% and 1.6% respectively. Most of the emerging market and developing economies are expected to perform better in 2017.

Analyst forecasts point to a modest acceleration in worldwide IT spend forecasts. Based on extensive conversations with customers, TCS expects continued investments in the ongoing journey to building a Digital enterprise. Investments in Digital are expected along the following themes:

- **Digital Spine:** Core modernization, Digitization, Simplification, Automation, Robotics, Cyber Security, IoT, Blockchain, APplication, and Cloud
- **Intelligent Enterprise:** Big Data Analytics, Cognitive Computing, Machine Learning, Customer insights, Monetization of data, Social
- **Experience First:** Seamless transactions across channels and touchpoints, Virtual / Augmented / Mixed Reality, gamification, chatbots

**7.0 Risk Management and Compliance**

A robust enterprise compliance management (ECM) framework and process has been deployed across TCS. The process is enabled by a Digital platform that provides an enterprise-wide view of compliance across global locations. The Company ensures compliance of all applicable laws globally, including those relating to employment, visas, taxation, forex and export controls, health, safety and environment (HSE), company laws, establishment, SEZ regulations, data privacy, anti-bribery and anti-corruption regulations, and IT security. A committee at the corporate level oversees and monitors the deployment of the compliance function. Changes in the applicable regulations are tracked on a global basis.

Key Risks	Impact on the Company	Mitigation
Global Political and Economic Scenario	Technology investments by corporates have shown strong correlations with GDP growth. TCS derives a material portion of its revenues from customers' discretionary spending which is linked to their business outlook. With changing political dynamics in major markets such as the US, the UK, and elections in some key European countries, uncertainties in economic outlook in these markets can impact technology spend, and thereby constrain the Company's growth potential.	<ul style="list-style-type: none"> <li>• Broad-based, de-risked business mix, well diversified across geographies and industry verticals</li> <li>• Capabilities and value propositions addressing the discretionary as well as non-discretionary portions of client spend</li> <li>• Target market segments which might provide counter-cyclical support</li> </ul>
Restrictions on Global Mobility	Distributed software development models require the free movement of people across countries. Growing protectionism in many key markets poses a threat to the global mobility of skilled professionals. There are multiple draft legislations in the United States to restrict the availability of work visas. Similar protectionist steps are being considered by some other countries. If implemented, this could result in project delays, increased costs and margin pressures.	<ul style="list-style-type: none"> <li>• Reducing our dependency on work visas through increased local hiring and focusing on local mobility and training across all major geographies of operation</li> <li>• Increased outreach to legislative / regulatory stakeholders, important trade bodies, think tanks and research institutes.</li> <li>• Showcasing investments, employment generation and innovation capabilities to the appropriate audiences</li> <li>• Active engagement in STEM initiatives designed to structurally increase the availability of engineering talent in major markets</li> </ul>
Business Model Changes	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. This is resulting in increased demands on the Company's agility to keep pace with the changing customer expectations.	<ul style="list-style-type: none"> <li>• Continued investments in Digital through large scale reskilling, external hiring, IP development and successful leverage of deep contextual knowledge</li> <li>• Focus on Research and Innovation efforts leveraging in-house expertise, alliance partnerships, and strong connections in the startup ecosystem</li> <li>• Strategic focus on Agile, Cloud, and Automation</li> <li>• Strong customer-centricity which results in organization structures (and reorganizations) that are always aligned to customer needs</li> </ul>

[6] <http://www.imf.org/en/Publications/WEO/Issues/2016/12/27/A-Shifting-Global-Economic-Landscape>

Key Risks	Impact on the Company	Mitigation
Litigation Risks	<p>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. Our rising profile and scale also makes us a target to litigations without any legal merit. This risk is inherent to doing business across the various countries and commensurate with the risks 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.</p>	<ul style="list-style-type: none"> <li>• Internal processes and controls adequately ensure the protection of intellectual property and also that potential disputes are promptly brought to the attention of management and dealt with appropriately.</li> <li>• The company has a team of in-house counsel in all major geographies it operates in. It also engages a network of highly respected global law firms in the countries it operates in.</li> <li>• There is a robust mechanism to track and respond to notices as well as defend the Company's position in all claims and litigation.</li> </ul>
Currency Volatility	<p>Volatility in currency exchange movements results in transaction and translation exposure. The Company's functional currency is the Indian Rupee. Appreciation of the Rupee against any major currency results in the revenue denominated in that currency to appear lesser in reported terms. Further, there could be collection losses if the exchange rates move between the time revenue is booked and the invoice amount is collected.</p>	<ul style="list-style-type: none"> <li>• TCS follows a currency hedging policy that is aligned with market best practices, to limit the impact of exchange volatility on earnings and collections</li> <li>• Hedging strategy is monitored by the Risk Management Committee on a regular basis</li> </ul>
Data Privacy and Protection	<p>Privacy and protection of personal data is an area of increasing concern across countries. Sensitive data has to be protected from individuals trying to gain unauthorized access or misusing access provided in business context. Any violation or security breach can result in liabilities, penalties and reputational impact.</p>	<ul style="list-style-type: none"> <li>• A global Privacy Policy is in place covering all applicable geographies and areas of operations.</li> <li>• The Company has continued focus on employee related agreements with respect Personally Identifiable Information (PII) and Sensitive Personal Data and Information (SPDI)</li> <li>• Data protection controls are a part of the engagement security management process.</li> <li>• Robust risk response mechanisms are in place to cater to protection of sensitive data in TCS ecosystem as well protection of such data in client-managed networks in Offshore/Global Delivery Centers.</li> <li>• Sensitive and complex engagements leverage industry standard practice of data masking technologies to protect PII and SPDI</li> <li>• The Company also utilizes a combination of online training, educational tools, social media and other awareness initiatives regarding data privacy and protection to foster a culture of awareness and responsibility among its employees.</li> </ul>
Cyber Security	<p>Risks of cyber attacks on the Company's networks are forever a threat on account of the fast evolving nature of the threat, with perpetrators continually seeking to bypass known defenses. The impact of a breach could range from reputational to legal and financial.</p>	<ul style="list-style-type: none"> <li>• Investments in automated prevention and detection solutions</li> <li>• Continued reinforcement of stringent security policies &amp; procedures;</li> <li>• Collaboration with CERT and other private Cyber Intelligence agencies, and enhanced awareness of emerging cyber threats</li> <li>• Enterprise-wide training and awareness programs on Information Security</li> <li>• Internal and external audits.</li> </ul>
Global Regulatory Compliance	<p>Increasing complexity of global regulatory compliance landscape continues to be a focus area.</p> <p>As a global organization, the company has to demonstrate compliance to laws across jurisdictions, covering areas such as Employment &amp; Immigration laws, Taxation, Foreign Exchange &amp; Export Controls, HSE regulations, Anti-corruption laws, Data Privacy requirements, and so on.</p> <p>Failure could result in penalties and reputational damage.</p>	<ul style="list-style-type: none"> <li>• A comprehensive global compliance management framework has been deployed across the Company.</li> <li>• Global regulatory compliance certification is fully digitized and covers compliance across all the locations of the Company.</li> </ul>



## 8.0 Analysis of Financials

The financial statements of Tata Consultancy Services Limited and its subsidiaries (collectively referred to as TCS or the Company) are prepared in compliance with the Companies Act, 2013 and Indian Accounting Standards, Rules 2015 (Ind AS).

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, read with Section 133 of the Companies Act, 2013, TCS has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from April 1, 2016, with comparative financials for the earlier period beginning April 1, 2015. TCS had been earlier publishing its financial statements prepared under the Indian GAAP and IFRS. The company has made available a note explaining the areas of difference between Indian GAAP and Ind AS and explained the reconciliation between the two GAAPs. The same can be found at <https://www.tcs.com/investor-relations>

The discussions herein below relate to the consolidated statement of profit and loss for the year ended March 31, 2017, the consolidated balance sheet as at March 31, 2017 and the consolidated cash flow statement for the year ended March 31, 2017. The consolidated results are more relevant for understanding the performance of TCS.

Significant accounting policies used for the preparation of the financial statements are disclosed in the notes to the consolidated financial statements 2 (a) to (r).

### CONSOLIDATED FINANCIAL RESULTS

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

	FY 2017	% of Revenue	% Growth Compared to FY 2016	FY 2016	% of Revenue
Revenue from operations	117,966	100.0	8.6	108,646	100.0
<b>Expenses</b>					
Employee benefit expense	61,621	52.2	11.3	55,348	50.9
Other Operating expenses	24,034	20.4	6.3	22,621	20.8
<b>Total expenditure</b>	<b>85,655</b>	<b>72.6</b>	<b>9.9</b>	<b>77,969</b>	<b>71.8</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>32,311</b>	<b>27.4</b>	<b>5.3</b>	<b>30,677</b>	<b>28.2</b>
Depreciation and amortisation expense	1,987	1.7	5.2	1,888	1.7
Finance costs	32	0.0	(3.0)	33	0.0
Other income (net)	4,221	3.6	36.9	3,084	2.8
<b>Profit before taxes (PBT)</b>	<b>34,513</b>	<b>29.3</b>	<b>8.4</b>	<b>31,840</b>	<b>29.3</b>
Tax expense	8,156	6.9	8.7	7,502	6.9
<b>Profit after taxes and before Non Controlling Interest</b>	<b>26,357</b>	<b>22.3</b>	<b>8.3</b>	<b>24,338</b>	<b>22.4</b>
<b>Earnings per share (in ₹)</b>	<b>133.41</b>		<b>8.3</b>	<b>123.18</b>	
<b>Profit for FY 2017 attributable to:</b>					
Shareholders of the Company	26,289	22.3	8.3	24,270	22.3
Non controlling interests	68			68	

#### Summary:

- Revenue: The revenue of the Company aggregated ₹ 117,966 crore in FY 2017 (₹ 108,646 crore in FY 2016), registering a growth of 8.6%.
- Earnings before interest, tax, depreciation and amortization (EBITDA): The EBITDA aggregated ₹ 32,311 crore in FY 2017 (₹ 30,677 crore in FY 2016) – a growth of 5.3%.
- Profit before tax (PBT): PBT aggregated ₹ 34,513 crore in FY 2017 (₹ 31,840 crore in FY 2016) – a growth of 8.4%.
- Profit after tax (PAT): PAT aggregated ₹ 26,289 crore in FY 2017 (₹ 24,270 crore in FY 2016) – a growth of 8.3%.
- Earnings per share (EPS): EPS aggregated ₹ 133.41 in FY 2017 (₹ 123.18 in FY 2016) – a growth of 8.3%.

### Analysis of revenue growth

The total revenue growth in FY 2017 (8.6%) was lower than that of FY 2016 (14.8%), primarily due to lower discretionary spending by customers in two key business segments: Banking Financial Services and Insurance and the Retail and Consumer business.

Growth attributable to	FY 2017 (%)	FY 2016 (%)
Business growth	8.3	11.9
Impact of Exchange rate	0.3	2.9
Total Growth	8.6	14.8

FY 2017 witnessed significant volatility in exchange rates particularly affecting GBP, YEN throughout the year. Average currency rates during FY 2017 compared to those in FY 2016 are given below:

Currency	Weightage	FY 2017 (Average)	FY 2016 (Average)	Change in Average Rates
USD	57.0%	67.13	65.45	2.6%
GBP	12.1%	87.35	98.62	(11.4%)
EUR	8.0%	73.27	72.29	1.3%
CAD	2.9%	51.01	49.96	2.1%
AUD	3.9%	50.41	48.17	4.7%
YEN	2.7%	0.62	0.56	11.0%

The net impact of such movement in exchange rates on revenue of the Company has been a positive variance of 0.3% in FY 2017 (positive variance of 2.9% in FY 2016).

### Employee benefit expenses

Employee benefit expenses include salaries which have fixed and variable components, contribution to retirement funds and pension schemes. It also includes expenses incurred on staff welfare.

Employee benefit expenses aggregated ₹ 61,621 crore in FY 2017, representing 52.2% of revenue as compared to an expense of ₹ 55,348 in FY 2016, representing 50.9% of revenue. The increase in Employee benefit expenses is in line with the business growth and increase in local hires.

	FY 2017		FY 2016		% growth
	₹ crore	% of revenue	₹ crore	% of revenue	
Salaries, incentives and allowances	55,537	47.1	49,902	45.9	11.3
Contributions to provident and other funds	4,189	3.5	3,939	3.6	6.4
Staff welfare expenses	1,895	1.6	1,507	1.4	25.8
Total	61,621	52.2	55,348	50.9	11.3

**Operations and other expenses**

Operations and other expenses aggregated ₹ 24,034 crore in FY 2017, representing 20.4% of revenue as compared to an expense of ₹ 22,621 crore in FY 2016, representing 20.8% of revenue.

Operations and other expenses, as a percentage of revenue, have remained steady.

	FY 2017		FY 2016		% growth
	₹ crore	% of revenue	₹ crore	% of revenue	
Fees to external consultants	8,854	7.5	8,412	7.7	5.3
Facility running expenses	3,685	3.1	3,406	3.1	8.2
Cost of equipment and software licenses	2,808	2.4	2,571	2.4	9.2
Travel expenses	2,786	2.4	2,664	2.5	4.6
Communication expenses	1,067	0.9	1,107	1.0	(3.6)
Bad debts and advances written off, allowance for doubtful receivables and advances (net)	125	0.1	135	0.1	(7.4)
Other expenses	4,709	4.0	4,326	4.0	8.9
<b>Total</b>	<b>24,034</b>	<b>20.4</b>	<b>22,621</b>	<b>20.8</b>	<b>6.2</b>

**Earnings before interest, tax, depreciation and amortisation (EBITDA)**

In FY 2017, EBITDA was ₹ 32,311 crore (₹ 30,677 crore in FY 2016). EBITDA as a percentage of Total Revenue is down from 28.2% in FY 2016 to 27.4% in FY 2017. The decline in EBITDA margin is primarily attributable to increase in employee benefit expenses.

**Other Income (net)**

Other income increased from ₹ 3,084 crore in FY 2016 to ₹ 4,221 crore in FY 2017 primarily due to an increase in exchange gain (net) by ₹ 498 crore and an increase in interest on investments by ₹ 518 crore, arising out of effective treasury management. Other Income as a percentage of revenue increased from 2.8% in FY 2016 to 3.6% in FY 2017.

**Depreciation and amortisation expense**

Depreciation and amortisation expense increased from ₹ 1,888 crore in FY 2016 to ₹ 1,987 crore in FY 2017. As a percentage of revenue, this group of expenses remained constant at 1.7% in FY 2016 and FY 2017.

**Profit before taxes (PBT)**

In FY 2017, PBT was ₹ 34,513 crore (₹ 31,840 crore in FY 2016). As a percentage of revenue, PBT remained constant at 29.3%. Decline in EBITDA Margin was offset by an increase in Other Income.

**Tax expense**

Tax expense increased to ₹ 8,156 crore in FY 2017 from ₹ 7,502 crore as reported in FY 2016.

The effective tax rate has remained steady. (FY 2017: 23.6%, FY 2016: 23.6%)

**Profit after tax attributable to shareholders**

Profit after tax attributable to shareholders in FY 2017 was ₹ 26,289 crore as compared to ₹ 24,270 crore in FY 2016. Net Profit Margin remained unchanged Y-o-Y at 22.3%.

**FINANCIAL POSITION — CONSOLIDATED**

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>		
Shareholders' funds	86,214	71,072
Non Controlling interest	366	355
Non-current liabilities	2,160	2,100
Current liabilities	14,512	15,569
<b>TOTAL</b>	<b>103,252</b>	<b>89,096</b>
<b>ASSETS</b>		
Goodwill	1,597	1,669
Non-current investments	344	343
Other non-current assets including property, plant and equipment	20,785	23,871
Current investments	41,636	22,479
Trade receivables	22,684	24,073
Unbilled revenue	5,351	3,992
Cash and bank balances	3,597	6,295
Short-term loans and advances	2,909	2,743
Other current assets	4,349	3,631
<b>TOTAL</b>	<b>103,252</b>	<b>89,096</b>

**Share Capital**

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
<b>Authorised</b>		
460.05 crore equity shares of ₹ 1 each	460	460
105.03 crore redeemable preference shares of ₹ 1 each	105	105
<b>Total</b>	<b>565</b>	<b>565</b>
Issued, subscribed and fully paid-up	-	-
197.04 crore equity shares of ₹ 1 each (197.04 crore equity shares of ₹ 1 each as at March 31, 2016)	197	197
<b>Total</b>	<b>197</b>	<b>197</b>

There has been no change in the Share Capital of the Company in FY 2017.

**Reserves and Surplus**

Reserves and Surplus at the end of FY 2017 stood at ₹86,017 crore, an increase of 21.4% over ₹70,875 crore at the end of FY 2016.

A brief description of the Company's Reserves and Surplus is provided below:

- **Capital Redemption Reserve** primarily arises when companies redeem preference shares. In the absence of such activity, this reserve has not shown any movement during FY 2017.

- **Share Premium** represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. There was no movement in this reserve because there was no share issue during FY 2017.
- For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange difference which is accumulated in **Foreign Currency Translation Reserve**. The movement in this reserve is due to fluctuation in exchange rates of currencies in FY 2017.
- The gains / losses in cash flow hedges are reflected in the **Cash Flow Hedging Reserve**. Note 28 (b) to the consolidated financial statements gives details of the movement.
- In the absence of any transfer to the General Reserve, there has been no movement in the **General Reserve** this year.
- **Statutory Reserve** represents the amounts maintained by certain foreign subsidiaries who are required to maintain such a reserve under specific local regulations. The movement is due to statutory transfer from Retained earnings in those foreign subsidiaries.
- **Special Economic Zone Re-investment Reserve** has been created under the Income Tax Act - Sec 10AA - to avail the extension of exemption benefit relating to business in SEZ areas.
- **Investment Revaluation Reserve** represents the net mark to market gains on investments measured at fair value through other comprehensive income. Note 17 (B) (a) to the consolidated financial statements gives details of the movement.
- The balance in the **Retained Earnings** primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Capital Reserve	75	75
Capital Redemption Reserve	523	523
Share Premium	1,919	1,919
Foreign Currency Translation Reserve	939	1,408
Cash Flow Hedging Reserve	88	49
General Reserve	10,549	10,549
Statutory Reserve	218	185
Special Economic Zone Re-investment Reserve	97	-
Investment Revaluation Reserve	538	54
Retained Earnings	71,071	56,113
<b>Total</b>	<b>86,017</b>	<b>70,875</b>



### Short Term and Long Term Borrowings

Secured overdraft was NIL as at March 31, 2017 (₹ 112 crore in FY 2016) and unsecured overdraft was ₹ 200 crore as at March 31, 2017 (₹ 1 crore in FY 2016).

The decrease in Secured loans for long-term maturities of finance lease obligations from ₹ 83 crore in FY 2016 to ₹ 71 crore in FY 2017 was due to net payments on finance leases during the year. The Company's long-term obligations under finance lease, are secured against fixed assets obtained under finance lease arrangements. The maturity profile of the finance lease obligations (both long term as shown in this table and short term as shown under "other liabilities") is disclosed in detail in Note 27 to the Consolidated Financial Statements.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Short-term borrowings		Long-term borrowings		Total borrowings	
Secured loans: overdraft from banks	-	112	-	-	-	112
Unsecured loans: overdraft from banks	200	1	-	-	200	1
Secured loans: long-term maturities of finance lease obligations	-	-	71	83	71	83
<b>Total</b>	<b>200</b>	<b>113</b>	<b>71</b>	<b>83</b>	<b>271</b>	<b>196</b>

### Trade Payables

- Trade payables (current liabilities), representing payables for purchase of goods and services decreased from ₹ 7,541 crore as at March 31, 2016 to ₹ 6,279 crore as at March 31, 2017. As a percentage of revenue, trade payables have decreased from 6.9% in FY 2016 to 5.3% in FY 2017.

### Short-term and long-term provisions

- The increase in short-term provisions from ₹ 1,750 crore in FY 2016 to ₹ 1,928 crore in FY 2017 is mainly attributable to increase in Provision for employee benefits amounting to ₹ 1,862 crore as at March 31, 2017 (₹1,635 crore as at March 31, 2016). Provision for employee benefits, short-term and long-term represent the provision on 1) Gratuity 2) Other employee benefit obligations / plans 3) Leave. Note 23 (A) & (B) to the consolidated financial statements gives the breakup of the employee benefit obligation.
- Short-term provision for foreseeable loss on a long term contract declined to ₹ 66 crore as at March 31, 2017 (₹115 crore as at March 31, 2016). Provision for foreseeable loss on a long term contract occurs when the estimated cost to completion exceeds the future revenue.
- Long Term Provisions increased from ₹ 277 crore in FY 2016 to ₹ 284 crore in FY 2017.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Short-term provisions		Long-term provisions		Total provisions	
Provision for employee benefits	1,862	1,635	245	237	2,107	1,872
Provision for foreseeable loss on a long term contract	66	115	39	40	105	155
<b>Total</b>	<b>1,928</b>	<b>1,750</b>	<b>284</b>	<b>277</b>	<b>2,212</b>	<b>2,027</b>

### Other current and non-current liabilities

Other current liabilities increased from ₹ 2,996 crore as at March 31, 2016 to ₹ 3,143 crore as at March 31, 2017. The increase was primarily due to:

- Increase in Unearned and Deferred Revenue from ₹ 1,359 crore as at March 31, 2016 to ₹ 1,398 crore as at March 31, 2017.
- Advance received from customers increased from ₹ 164 crore as at March 31, 2016 to ₹ 330 crore as at March 31, 2017.
- Increase in other liabilities to ₹ 114 crore as at March 31, 2017 (₹ 92 crore as at March 31, 2016) mainly on account of operating lease liabilities recognised in advance, on account of straightlining the rental over the lease period.
- Indirect tax payable and other statutory liabilities decreased from ₹ 1,381 crore as at March 31, 2016 to ₹ 1,301 crore as at March 31, 2017.

Other non-current liabilities decreased from ₹ 442 crore as at March 31, 2016 to ₹ 432 crore as at March 31, 2017.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Other current liabilities		Other non current liabilities		Total other liabilities	
Unearned and Deferred revenue	1,398	1,359	-	-	1,398	1,359
Advance received from customers	330	164	-	-	330	164
Indirect tax payable and other statutory liabilities	1,301	1,381	-	-	1,301	1,381
Operating lease & other liabilities	114	92	432	442	546	534
<b>Total</b>	<b>3,143</b>	<b>2,996</b>	<b>432</b>	<b>442</b>	<b>3,575</b>	<b>3,438</b>

### Other Financial Liabilities

Other financial liabilities decreased from ₹ 2,857 crore as at March 31, 2016 to ₹ 2,004 crore as at March 31, 2017.

- Liabilities for cost related to customer contracts increased from ₹ 882 crore as at March 31, 2016 to ₹ 1,001 crore as at March 31, 2017
- Liabilities on account of Capital creditors decreased from ₹ 393 crore as at March 31, 2016 to ₹ 304 crore as at March 31, 2017
- The decrease in other payables from ₹ 1,512 crore as at March 31, 2016 to ₹ 656 crore as at March 31, 2017 is primarily on account of settlement of liabilities towards purchase of government securities in the previous financial year and decrease in fair value of foreign exchange forward and currency option contracts.
- Operating lease and other liabilities include current maturities of obligation under finance lease. The decline from ₹ 70 crore as at March 31, 2016 to ₹ 43 crore as at March 31, 2017 was primarily due to decline in net payments in finance lease obligations.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Other current financial liabilities		Other non current financial liabilities		Total financial liabilities	
Liabilities for cost related to customer contracts	1,001	882	-	-	1,001	882
Capital Creditors	287	331	17	62	304	393
Other payables	219	1,081	437	431	656	1,512
Other liabilities	43	70	-	-	43	70
<b>Total</b>	<b>1,550</b>	<b>2,364</b>	<b>454</b>	<b>493</b>	<b>2,004</b>	<b>2,857</b>

### Goodwill on consolidation

Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indications for impairment.

Goodwill on consolidation as at March 31, 2017 stood at ₹ 1,597 crore (₹ 1,669 crore as at March 31, 2016). The change in Goodwill has been on account of exchange fluctuation.

### Property, Plant, and Equipment

The company has been investing in infrastructure development across various locations across the globe to meet its growing business needs.

The Net Book Value of Property, Plant, and Equipment amounted to ₹ 10,057 crore as at March 31, 2017 (₹ 9,971 crore as at March 31, 2016). Incremental cash outflows toward capital expenditure in FY 2017 was mainly offset by the depreciation and amortisation expense resulting in a marginal increase in net block of Property, plant and equipment.

Note no 2 (m) to the consolidated financial statements gives the details of the rates and method of depreciation on property, plant and equipment.

(₹ crore)

Particulars	Gross block as at March 31, 2017	Gross block as at March 31, 2016	Accumulated Depreciation as on March 31, 2017	Accumulated Depreciation as on March 31, 2016	Net book value as on March 31, 2017	Net book value as on March 31, 2016
Freehold land	348	348	-	-	348	348
Buildings	6,708	6,119	(1,467)	(1,139)	5,241	4,980
Leasehold Improvements	1,973	1,840	(1,143)	(977)	830	863
Plant and equipment	395	322	(75)	(40)	320	282
Computer equipment	6,082	5,591	(4,630)	(4,155)	1,452	1,436
Vehicles	32	32	(24)	(21)	8	11
Office equipment	2,112	2,004	(1,518)	(1,284)	594	720
Electrical Installations	1,722	1,620	(871)	(732)	851	888
Furniture and fixtures	1,519	1,432	(1,106)	(989)	413	443
<b>Total</b>	<b>20,891</b>	<b>19,308</b>	<b>(10,834)</b>	<b>(9,337)</b>	<b>10,057</b>	<b>9,971</b>

### Trade Receivables and Unbilled Revenue

As a percentage of revenue, Trade Receivables decreased to 19.2% as at March 31, 2017 from 22.2% as at March 31, 2016. The Unbilled Revenue as a percentage of revenue increased to 4.5% in FY 2017 from 3.7% in FY 2016.

The Company monitors Trade Receivables and Unbilled Revenue, net of Unearned Revenues separately and collectively. The close monitoring, follow-up on collections and favorable exchange rates have ensured that the Trade Receivables and Unbilled Revenue, net of Unearned Revenues as a percentage of revenue has declined (22.6% in FY 2017, 24.6% in FY 2016).

The Days Sales Outstanding for FY 2017 has come down to 70 days as compared to 81 days for FY 2016.

(₹ crore)

	As at March 31, 2017	As % of Revenue	As at March 31, 2016	As % of Revenue
Trade Receivables	22,684	19.2%	24,073	22.2%
Unbilled Revenue	5,351	4.5%	3,992	3.7%
<b>Total</b>	<b>28,035</b>	<b>23.8%</b>	<b>28,065</b>	<b>25.8%</b>

### Current investments and non-current investments

Total Investments of the Company grew from ₹ 22,822 crore in FY 2016 to ₹ 41,890 crore in FY 2017:

- 'Investments carried at fair value through OCI' increased from ₹ 20,423 crore in FY 2016 to ₹ 22,140 crore in FY 2017. The increase of ₹ 1,717 crore is due to net purchase of government securities of ₹ 1,745 crore, partially offset by decrease due to sale of equity shares of ₹ 28 crore. A significant part of treasury investments of the Company is in government securities, which are carried at fair value through OCI.
- The increase in 'Investments carried at fair value through P&L' from ₹ 1,767 crore in FY 2016 to ₹ 19,692 crore in FY 2017 is due to net purchase of mutual funds amounting to ₹ 17,925 crore.
- The net decrease of ₹ 484 crore in 'Investment carried at amortized cost' from ₹ 632 crore in FY 2016 to ₹ 148 crore in FY 2017 is primarily due to redemption of certificates of deposit.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Current investments		Non-current investments		Total Investments	
Investments carried at fair value through OCI	21,999	20,254	141	169	22,140	20,423
Investments carried at fair value through P&L	19,637	1,709	55	58	19,692	1,767
Investment carried at amortized cost	-	516	148	116	148	632
<b>Total</b>	<b>41,636</b>	<b>22,479</b>	<b>344</b>	<b>343</b>	<b>41,980</b>	<b>22,822</b>

### Overview of funds invested

Funds invested exclude earmarked balances with bank, equity shares measured at fair value through OCI and liabilities for purchase of government securities.

Investible funds went up by ₹14,832 crore (₹ 33,602 crore as at March 31, 2016 to ₹ 48,434 crore as at March 31, 2017), mainly driven by:

- increase in investments of ₹ 19,186 crore primarily due to investment in mutual funds and government securities during FY 2017
- offset by decrease in bank deposits by ₹ 2,453 crore, decrease in inter-corporate deposits by ₹ 1,618 crore and decrease in cash and bank balances by ₹283 crore.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Current		Non-current		Total funds invested	
Investments in mutual funds, government securities and others	41,636	22,479	203	174	41,839	22,653
Deposits with banks	896	2,934	-	415	896	3,349
Inter-corporate deposits	2,565	1,721	3	2,465	2,568	4,186
Cash and bank balances	3,131	3,414	-	-	3,131	3,414
<b>Total</b>	<b>48,228</b>	<b>30,548</b>	<b>206</b>	<b>3,054</b>	<b>48,434</b>	<b>33,602</b>

### Short-term and long-term loans and advances

Loans and advances as at March 31, 2016 decreased by ₹ 2,297 crore from ₹ 5,215 crore in FY 2016 to ₹ 2,918 crore in FY 2017, mainly due to decrease in long-term loans and advances by ₹ 2,463 crore, partly offset by increase in short-term loans and advances by ₹ 166 crore.

- The increase in short-term loans and advances was primarily attributable to increase in inter-corporate deposits by ₹ 844 crore offset partly by a decrease in loans and advances to employees by ₹ 677 crore. In FY 2016, there had been a one-time assistance provided to associates impacted by Chennai floods.
- The decrease in long-term loans and advances was primarily attributable to decrease in inter-corporate deposits by ₹ 2,463 crore.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Short-term loans		Long-term loans		Total loans	
Loans and advances to employees	344	1,021	6	7	350	1,028
Inter-corporate deposits	2,565	1,721	3	2,465	2,568	4,186
Others	-	1	-	-	-	1
<b>Total</b>	<b>2,909</b>	<b>2,743</b>	<b>9</b>	<b>2,472</b>	<b>2,918</b>	<b>5,215</b>

### Other current and non-current financial assets

- Other current and non-current financial assets amounted to ₹ 2,241 crore as at March 31, 2017 (₹ 2,299 crore as at March 31, 2016).
- Interest receivable increased to ₹ 715 crore as at March 31, 2017 from ₹ 279 crore as at March 31, 2016.
- Long-term bank deposits have gone down from ₹ 415 crore as at March 31, 2016 to NIL as at March 31, 2017.
- Security deposits increased from ₹ 876 crore as at March 31, 2016 to ₹ 963 crore as at March 31, 2017.
- Others increased from ₹ 585 crore as at March 31, 2016 to ₹ 620 crore as at March 31, 2017. 'Others' primarily comprise of fair value of foreign exchange forward and currency option contracts.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Other current financial assets		Other non-current financial assets		Total financial assets	
Interest receivable	715	206	-	73	715	279
Long - term bank deposits	-	-	-	415	-	415
Security deposits	147	143	816	733	963	876
Earmarked balances with banks	-	-	1	86	1	86
Others	612	567	8	18	620	585
<b>Total</b>	<b>1,474</b>	<b>916</b>	<b>825</b>	<b>1,325</b>	<b>2,299</b>	<b>2,241</b>

#### Other current and non-current assets

Other current and non-current assets amounted to ₹ 2,965 crore as at March 31, 2017 (₹ 3,100 crore as at March 31, 2016).

- Decrease in prepaid expenses from ₹ 1,824 crore in FY 2016 to ₹ 1,789 crore in FY 2017 pertains to long term prepaid assets converted into short term over time, and amortization of prepaid assets in the normal course of business.
- 'Others' which include advance to suppliers, advance to related parties, indirect tax recoverable, other advances declined from ₹ 1,127 crore in FY 2016 to ₹ 1,033 crore in FY 2017. Note 11 (A) & (B) to the Consolidated Financial Statements gives the details of the same.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Other current assets		Other non-current assets		Total	
Prepaid expenses	1,508	1,376	281	448	1,789	1,824
Capital advances	-	-	143	149	143	149
Others	768	798	265	329	1,033	1,127
<b>Total</b>	<b>2,276</b>	<b>2,174</b>	<b>689</b>	<b>926</b>	<b>2,965</b>	<b>3,100</b>

#### CASH FLOW — CONSOLIDATED

The Company's cash flows from operating, investing and financing activities, is summarised below.

#### Summary of cash flow statement:

(₹ crore)

	FY 2017	FY 2016
Net cash provided by / (used in)		
Operating activities	25,223	19,109
Investing activities	(16,732)	(5,150)
Financing activities	(11,026)	(9,666)
Exchange difference on translation of foreign currency	(163)	140
Net (decrease) / increase in cash and cash equivalents after translation	(2,698)	4,433

#### Cash flows from operating activities

Cash generated from operations (before payment of taxes) was ₹ 33,169 crore in FY 2017 (₹ 26,687 crore in FY 2016), registering an increase of 24.3% over the previous FY. The net cash provided by operating activities (after payment of taxes) was ₹ 25,223 crore in FY 2017 (₹ 19,109 crore in FY 2016). Better working capital management has resulted in lower outflow of cash thereby increasing the Operating Cash flow ratio. Cash generated from operations (post taxes) as a percentage of revenue has gone up from 17.6% in FY 2016 to 21.4% in FY 2017.

(₹ crore)

	FY 2017	FY 2016
Profit for the year	26,357	24,338
Adjustments: depreciation and amortization	1,987	1,888
Other non-cash adjustments	5,456	5,405
Effect of working capital changes	(631)	(4,944)
Cash generated from operations	33,169	26,687
Taxes paid	(7,946)	(7,578)
Net cash provided by operating activities	25,223	19,109



### Cash flows from investing activities

During FY 2017, cash used in investing activities was primarily attributable to:

- The net investment in property, plant and equipment and intangible assets amounted to ₹ 1,953 crore in FY 2017 (₹ 1,968 crore in FY 2016). The same was in line with the Company's infrastructure policies.
- The net purchase of investments were ₹ 18,625 in FY 2017 (₹ 19,693 crore in FY 2016), which consists mainly of mutual funds and government securities.
- The net proceeds from bank deposits were ₹ 438 crore in FY 2017 (₹ 16,144 crore in FY 2016).
- The net inflow on account of Inter-corporate Deposits was ₹ 1,619 crore in FY 2017 (purchase of ₹ 1,460 crore in FY 2016). Interest received in FY 2017 amounted to ₹ 1,788 crore (₹ 1,816 crore in FY 2016)

(₹ crore)

	FY 2017	FY 2016
Property, plant and equipment & intangible assets(net)	(1,953)	(1,968)
Other investments (net)	(18,625)	(19,693)
Deposits with banks (net)	438	16,144
Inter - corporate deposits (ICD) (net)	1,619	(1,460)
Interest received	1,788	1,816
Other items (net)	1	11
<b>Net cash used in investing activities</b>	<b>(16,732)</b>	<b>(5,150)</b>

### Cash flows from financing activities

Dividend paid to shareholders amounted to ₹ 10,973 crore for FY 2017 (₹ 9,515 crore in FY 2016) and it includes the final dividend payout and tax thereon for FY 2016 approved by the shareholders at the last annual general meeting held in June 2016 (₹ 27 per share). In addition the dividend paid includes the interim dividend of FY 2017 (₹ 19.5 per share)

Other payments of ₹ 53 crore in FY 2017 (₹ 151 crore in FY 2016) include net payments related to borrowings.

(₹ crore)

	FY 2017	FY 2016
Dividends paid including dividend tax	(10,973)	(9,515)
Other payments	(53)	(151)
<b>Net cash used in financing activities</b>	<b>(11,026)</b>	<b>(9,666)</b>

**TCS' PERFORMANCE TREND (CONSOLIDATED)**

Amounts in ₹ crore	Ind AS		Indian Gaap								
	FY 2016-17	FY 2015-16	FY 2014-15*	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09	FY 2007-08
<b>Revenues</b>											
Total revenue	117,966	108,646	94,648	94,648	81,809	62,989	48,894	37,325	30,029	27,813	22,620
<b>Revenue By geographic segments</b>											
North America	63,646	57,892	49,086	49,086	43,386	33,854	26,064	20,107	15,855	14,291	11,388
UK	16,404	17,171	15,783	15,783	14,251	10,761	7,453	5,771	4,860	5,282	4,498
Europe	13,634	11,921	10,946	10,946	9,181	6,053	4,928	3,480	3,149	2,930	2,106
India	7,415	6,729	6,108	6,108	5,488	4,890	4,202	3,435	2,598	2,182	2,046
Rest of the world	16,867	14,933	12,725	12,725	9,503	7,431	6,246	4,531	3,566	3,128	2,582
<b>Cost</b>											
Employee Cost	61,621	55,348	48,296	50,924	40,486	31,922	24,683	18,806	15,066	14,483	11,411
Other Operating Cost	24,034	22,621	19,242	19,242	16,170	13,028	9,775	7,340	6,269	6,160	5,497
Total Cost (excluding interest & depreciation)	85,655	77,969	67,539	70,167	56,657	44,950	34,459	26,146	21,334	20,643	16,908
<b>Profitability</b>											
EBIDTA (before other income)	32,311	30,677	27,110	24,482	25,153	18,040	14,435	11,178	8,695	7,170	5,711
Profit before tax	34,513	31,840	28,437	25,809	25,402	18,090	13,923	11,021	8,290	6,150	5,846
Profit after tax attributable to shareholders of the Company	26,289	24,270	21,912	19,852	19,164	13,917	10,413	9,068	7,001	5,256	5,026
<b>Financial Position</b>											
Equity Share capital	197	197	196	196	196	196	196	196	196	98	98
Reserves and surplus	86,017	70,875	58,140	50,439	48,999	38,350	29,284	24,209	18,171	15,502	12,102
Gross block (property plant and equipment including intangible assets)	21,391	19,917	17,316	17,316	13,897	11,623	9,448	7,792	6,420	5,844	4,292
Total investments	41,980	22,822	1,662	1,662	3,434	1,897	1,350	1,763	3,682	1,614	2,606
Net current assets	66,014	47,644	36,189	28,495	27,227	19,734	12,673	9,790	7,395	7,544	5,553
<b>Earnings per share in ₹</b>											
EPS - as reported	133.41	123.18	111.87	101.35	97.67	70.99	53.07	46.27	35.67	53.63	51.36
EPS - adjusted for Bonus Issue	133.41	123.18	111.87	101.35	97.67	70.99	53.07	46.27	35.67	26.81	25.68
<b>Headcount (number)</b>											
Headcount (including subsidiaries) as on March 31st	387,223	353,843	319,656	319,656	300,464	276,196	238,583	198,614	160,429	143,761	111,407

Note: The Company transitioned into Ind AS from April 1, 2015

\* Excluding the impact of one-time employee reward

## RATIO ANALYSIS

Ratio Analysis	Units	Ind AS		Indian GAAP								
		FY 2016-17	FY 2015-16	FY 2014-15*	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09	FY 2007-08
<b>Ratios - Financial Performance</b>												
Employee Cost/Total Revenue	%	52.2	50.9	51.0	53.8	49.5	50.7	50.5	50.4	50.2	52.1	50.4
Other Operating Cost/Total Revenue	%	20.4	20.8	20.3	20.3	19.8	20.7	20.0	19.7	20.9	22.1	24.3
Total Cost/Total Revenue	%	72.6	71.8	71.4	74.1	69.3	71.4	70.5	70.1	71.0	74.2	74.8
EBIDTA (before other Income)/Total Revenue	%	27.4	28.2	28.6	25.9	30.7	28.6	29.5	30.0	29.0	25.8	25.3
Profit before tax/Total Revenue	%	29.3	29.3	30.0	27.3	31.1	28.7	28.5	29.5	27.6	22.1	25.8
Tax/Total Revenue	%	6.9	6.9	7.2	6.6	7.4	6.4	7.0	4.9	4.0	3.0	3.5
Effective Tax Rate - Tax/PBT	%	23.6	23.6	23.5	23.7	23.9	22.2	24.4	16.6	14.4	13.6	13.5
Profit after tax/Total Revenue	%	22.3	22.3	23.2	21.0	23.4	22.1	21.3	24.3	23.3	18.9	22.2
<b>Ratios - growth</b>												
Total Revenue	%	8.6	14.8	15.7	15.7	29.9	28.8	31.0	24.3	8.0	23.0	21.1
EBIDTA (before other Income)	%	5.3	25.3	7.8	(2.7)	39.4	25.0	29.1	28.6	21.3	25.5	11.1
Profit after tax	%	8.3	22.3	14.3	3.6	37.7	33.6	14.8	29.5	33.2	4.6	19.3
<b>Ratios - Balance Sheet</b>												
Debt-Equity Ratio	Times	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Ratio	Times	5.5	4.1	3.9	2.4	2.7	2.7	2.2	2.4	1.9	2.3	2.2
Days Sales Outstanding (DSO) in ₹ terms	Days	70	81	79	79	81	82	86	80	71	79	87
Days Sales Outstanding (DSO) in \$ terms	Days	73	80	78	78	82	82	81	82	74	74	87
Invested Funds / total assets	%	54.6	44.2	38.0	43.5	43.0	36.4	34.8	36.8	45.7	26.3	29.0
Capital expenditure / total revenue	%	1.7	1.8	3.1	3.1	3.8	4.2	4.1	4.9	3.4	4.0	5.6
Operating cash flows / total revenue	%	21.4	17.6	20.5	20.5	18.0	18.4	14.3	17.7	24.7	19.5	17.2
Free Cash Flow/Operating Cash Flow Ratio	%	92.3	89.7	84.8	84.8	78.9	77.3	71.5	72.7	86.1	79.7	67.6
Depreciation / average gross block	%	9.6	10.1	11.5	11.5	10.6	10.3	10.7	10.4	10.8	11.1	15.1
<b>Ratios - per share</b>												
EPS - adjusted for Bonus ₹	₹	133.41	123.18	111.87	101.35	97.67	70.99	53.07	46.27	35.67	26.81	25.68
Price Earning Ratio,end of year	Times	18.2	20.4	22.8	25.1	21.8	22.1	22.0	25.6	21.9	10.1	15.8
Dividend Per Share	₹	47.00	43.50	79.00	79.00	32.00	22.00	25.00	14.00	20.00	14.00	14.00
Dividend Per Share - adjusted for Bonus ₹	₹	47.00	43.50	79.00	79.00	32.00	22.00	25.00	14.00	20.00	7.00	7.00
Market Capitalization/ total revenue	Times	4.1	4.6	5.3	5.3	5.1	4.9	4.7	6.2	5.1	1.9	3.5

Note: The Company transitioned into Ind AS from April 1, 2015.

\* Excluding the impact of one-time employee reward

**UNCONSOLIDATED FINANCIAL RESULTS**

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

(₹ crore)

	FY 2017	% of Revenue	% Growth Compared to FY 2016	FY 2016	% of Revenue
Revenue from operations	92,693	100.0	8.0	85,864	100.0
<b>Expenses</b>					
Employee benefit expense	48,116	51.9	13.4	42,420	49.4
Other Operating expenses	17,488	18.9	6.7	16,390	19.1
<b>Total expenditure</b>	<b>65,604</b>	<b>70.8</b>	<b>11.6</b>	<b>58,810</b>	<b>68.5</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>27,089</b>	<b>29.2</b>	<b>0.1</b>	<b>27,054</b>	<b>31.5</b>
Depreciation and amortisation expense	1,575	1.7	8.0	1,459	1.7
Finance costs	16	0.0	23.1	13	0.0
Other income (net)	4,568	4.9	21.6	3,757	4.4
<b>Profit before taxes (PBT)</b>	<b>30,066</b>	<b>32.4</b>	<b>2.5</b>	<b>29,339</b>	<b>34.2</b>
Tax expense	6,413	6.9	2.4	6,264	7.3
<b>Profit after taxes (PAT)</b>	<b>23,653</b>	<b>25.5</b>	<b>2.5</b>	<b>23,075</b>	<b>26.9</b>
<b>Earnings per share (in ₹)</b>	<b>120.04</b>		<b>2.5</b>	<b>117.11</b>	

**Discussion on the Financial Performance – Unconsolidated**

- Revenue: Revenue from operations aggregated ₹ 92,693 crore in FY 2017 (₹85,864 crore in FY 2016), registering a growth of 8.0%.
- Earnings before interest, tax, depreciation and amortization (EBITDA): The EBITDA aggregated ₹ 27,089 crore in FY 2017 (₹ 27,054 crore in FY 2016) – a growth of 0.1%.
- Profit before tax (PBT): PBT aggregated ₹ 30,066 crore in FY 2017 (₹ 29,339 crore in FY 2016) – a growth of 2.5%.
- Profit after tax (PAT): PAT aggregated ₹ 23,653 crore in FY 2017 (₹ 23,075 crore in FY 2016) – a growth of 2.5%.
- Earnings per share (EPS): EPS aggregated ₹ 120.04 in FY 2017 (₹ 117.11 in FY 2016) – a growth of 2.5%.

For schedules on the unconsolidated financial results, please refer detailed “Unconsolidated Financial Statements” which form part of this Annual Report.

**FINANCIAL POSITION — UNCONSOLIDATED**

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>		
Shareholders' funds	78,022	65,013
Non-current liabilities	1,035	1,095
Current liabilities	10,701	11,309
<b>TOTAL</b>	<b>89,758</b>	<b>77,417</b>
<b>ASSETS</b>		
Non-current assets including property, plant and equipment	21,139	24,040
Current investments	40,729	21,930
Trade receivables	16,649	19,058
Unbilled revenue	4,235	2,712
Cash and bank balances	1,316	4,806
Short-term loans and advances	2,704	2,523
Other current assets	2,986	2,348
<b>TOTAL</b>	<b>89,758</b>	<b>77,417</b>

For schedules on the unconsolidated financial position, please refer detailed “Unconsolidated Financial Statements” which form part of this Annual Report.

## CASH FLOW – UNCONSOLIDATED

The Company's cash flows from operating, investing and financing activities, is summarised below.

### Summary of cash flow statement:

(₹ crore)

	FY 2017	FY 2016
Net cash provided by / (used in)		
Operating activities	23,132	17,986
Investing activities	(15,782)	(4,518)
Financing activities	(10,891)	(9,586)
Exchange difference on translation of foreign currency	(52)	40
Net (decrease) / increase in cash and cash equivalents after translation	(3,593)	3,922

### Cash flows from operating activities

TCS generated net cash from operating activities of ₹ 23,132 crore in FY 2017 (₹ 17,986 crore in FY 2016)

(₹ crore)

	FY 2017	FY 2016
Profit for the year	30,066	29,339
Adjustments: depreciation and amortization	1,575	1,459
Other non-cash adjustments	(3,037)	(2,773)
Effect of working capital changes	994	(3,575)
Cash generated from operations	29,598	24,450
Taxes paid	(6,466)	(6,464)
Net cash provided by operating activities	23,132	17,986

### Cash flows from investing activities

During FY 2017, cash used in investing activities was ₹ 15,782 crore in FY 2017 (₹ 4,518 crore in FY 2016).

(₹ crore)

	FY 2017	FY 2016
Property, plant and equipment (net)	(1,636)	(1,759)
Other investments (net)	(18,252)	(19,558)
Deposits with banks (net)	400	15,652
Inter - corporate deposits (ICD) (net)	1,572	(1,362)
Interest received	1,740	1,798
Dividend received from subsidiaries (including exchange gain)	394	705
Other items (net)	–	6
Net cash used in investing activities	(15,782)	(4,518)

### Cash flows from financing activities

During FY 2017, cash used in financing activities was ₹ 10,891 crore in FY 2017 (₹ 9,586 crore in FY 2016).

For schedules on the unconsolidated statement of cash flows, please refer detailed "Unconsolidated Financial Statements" which form part of this Annual Report.

(₹ crore)

	FY 2017	FY 2016
Dividends paid including dividend tax	(10,947)	(9,479)
Other payments	56	(107)
Net cash used in financing activities	(10,891)	(9,586)



### 9.0 Internal Financial Control Systems and their Adequacy

TCS has aligned its current systems of internal financial control with the requirement of the Companies Act 2013, on lines of the globally accepted risk based framework as 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 the 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 revenue 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 to record data for accounting, consolidation, and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with global best practices.

Our management 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, 2017.

Deloitte Haskins & Sells LLP, the statutory auditors of TCS, has audited the financial statements included in this annual report and has issued an attestation report on our internal control over financial reporting (as defined in section 143 of the 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 (Deloitte Haskins & Sells LLP) and the audit committee. In line with international practice, the conduct of internal audit is oriented toward the review of internal controls and risks in its 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, and so on. The audit committee reviews the 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 the Companies Act 2013 and Clause 18 of SEBI Regulations 2015), our audit committee has concluded that, as of March 31, 2017, our internal financial controls were adequate and operating effectively.

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Note:

- Percentages reported are calculated from the underlying whole rupee numbers.
- Within the tables, certain rows and columns may not add due to the use of rounded numbers.
- Figures have been rounded off to ₹ crore



# Corporate Governance Report

TCS Gitanjali Park, Kolkata

## Corporate Governance Report for the year 2016-17

### 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 has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). These codes are available on the Company's website. 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 utilisation 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.

### II. Board of Directors

- i. As on March 31, 2017, the Company has eleven Directors. Of the eleven Directors, eight (i.e. 72.73%) are Non-Executive Directors out of which six (i.e. 54.55%) are Independent Directors. The profiles of Directors can be found on (<https://www.tcs.com/ir-corporate-governance>). The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors. None of the Directors are related to each other except Mr. N. Ganapathy Subramaniam and Mr. N. Chandrasekaran.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- iv. Nine Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:  
  
April 18, 2016; June 16 & 17, 2016; July 14, 2016; October 13, 2016; November 17, 2016; January 12, 2017; January 12, 2017; February 20, 2017 and March 9 & 10, 2017.  
  
The necessary quorum was present for all the meetings.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2017 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Category	Number of board meetings attended during the year 2016-17	Whether attended last AGM held on June 17, 2016	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
				Chairman	Member	Chairman	Member
Mr. N. Chandrasekaran (Chairman)* DIN 00121863	Non-Independent, Non-Executive	9	Yes	5	-	-	-
Mr. Cyrus Mistry ** DIN 00010178	Non-Independent, Non-Executive	4	Yes	N.A.	N.A.	N.A.	N.A.
Mr. Rajesh Gopinathan (Chief Executive Officer and Managing Director) *** DIN 06365813	Non-Independent, Executive	1	N.A.	-	-	-	-
Mr. Aman Mehta DIN 00009364	Independent, Non-Executive	9	Yes	-	5	1	4
Mr. V. Thyagarajan DIN 00017541	Independent, Non-Executive	9	Yes	-	-	-	-
Prof. Clayton M. Christensen DIN 00020111	Independent, Non-Executive	5	No	-	-	-	-
Dr. Ron Sommer DIN 00621387	Independent, Non-Executive	9	Yes	-	-	-	-
Dr. Vijay Kelkar DIN 00011991	Independent, Non-Executive	8	Yes	-	5	2	3
Mr. Ishaat Hussain ^ DIN 00027891	Non-Independent, Non-Executive	9	Yes	4	5	2	4
Mr. O. P. Bhatt DIN 00548091	Independent, Non-Executive	9	Yes	-	2	2	1
Mr. Phiroz Vandrevalla # DIN 01778976	Non-Independent, Non-Executive	2	Yes	N.A.	N.A.	N.A.	N.A.
Mr. N Ganapathy Subramaniam (Chief Operating Officer and Executive Director) ^ ^ DIN 07006215	Non-Independent, Executive	1	N.A.	1	-	-	-
Ms. Aarthi Subramanian (Executive Director) DIN 07121802	Non-Independent, Executive	9	Yes	-	-	-	-

\* Relinquished the office of Chief Executive Officer and Managing Director and appointed as the Chairman of the Company w.e.f. February 21, 2017

\*\* Ceased to be Chairman of the Company w.e.f. November 9, 2016 and Director of the Company w.e.f. December 13, 2016

\*\*\* Appointed as Chief Executive Officer and Managing Director of the Company w.e.f. February 21, 2017

^ Nominated as the Chairman of the Company w.e.f. November 9, 2016 upto February 21, 2017

# Relinquished the office of Non-Executive Director w.e.f. July 8, 2016

^ ^ Appointed as Chief Operating Officer and Executive Director w.e.f. February 21, 2017

Video/tele-conferencing facilities are also used to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings.

- vi. During the year 2016-17, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- vii. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company (<https://www.tcs.com/investor-relations>)
- viii. During the year 2016-17, two meetings of the Independent Directors were held on October 13, 2016 and March 10, 2017. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, and the Board as a whole.
- ix. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- x. The details of the familiarization programme of the Independent Directors are available on the website of the Company (<https://www.tcs.com/investor-relations>).
- xi. Details of equity shares of the Company held by the Directors as on March 31, 2017 are given below:

Name	Category	Number of equity shares
Mr. N. Chandrasekaran	Non-Independent, Non-Executive	88,528
Mr. Rajesh Gopinathan	Non-Independent, Executive	1,130
Mr. Ishaat Hussain	Non-Independent, Non-Executive	1,740
Mr. N Ganapathy Subramaniam	Non-Independent, Executive	98,880
Ms. Aarthi Subramanian	Non-Independent, Executive	2,800

The Company has not issued any convertible instruments.

### III. Committees of the Board

- i. There are ten Board Committees which comprise of five statutory committees and five other committees that have been formed considering the needs of the Company and best practices in Corporate Governance as on March 31, 2017, which are as follows:

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
<b>Statutory Committees</b>				
Audit Committee	Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act. <ul style="list-style-type: none"> <li>Oversight of financial reporting process.</li> <li>Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.</li> <li>Evaluation of internal financial controls and risk management systems.</li> <li>Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.</li> <li>Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>Six audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days.</li> <li>Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and internal auditors to be present at its meetings.</li> <li>The Company Secretary acts as the Secretary to the audit committee.</li> <li>Mr. Suprakash Mukhopadhyay, Global Treasury Head and Company Secretary was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.</li> <li>Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.</li> <li>The previous AGM of the Company was held on June 17, 2016 and was attended by Mr. Aman Mehta, Chairman of the audit committee.</li> </ul>
		Mr. Aman Mehta (Chairman)	Independent, Non-Executive	
		Mr. V. Thyagarajan	Independent, Non-Executive	
		Dr. Ron Sommer	Independent, Non-Executive	
		Dr. Vijay Kelkar	Independent, Non-Executive	
		Mr. Ishaat Hussain	Non - Independent, Non-Executive	
		Mr. O. P Bhatt	Independent, Non-Executive	



Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	
Nomination and Remuneration Committee	<p>Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.</p> <ul style="list-style-type: none"> <li>Recommend to the Board the setup and composition of the Board and its committees.</li> <li>Recommend to the Board the Appointment/Re-appointment of Directors and Key Managerial Personnel.</li> <li>Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.</li> <li>Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of employees</li> <li>Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning.</li> <li>Oversee familiarisation programmes for directors.</li> <li>Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies.</li> </ul>	Mr. Aman Mehta (Chairman)	Independent, Non-Executive	<ul style="list-style-type: none"> <li>Four nomination and remuneration committee meetings were held during the year.</li> <li>The Company does not have any Employee Stock Option Scheme.</li> <li>Details of Performance Evaluation Criteria and Remuneration Policy are detailed below this table.</li> </ul>
		Mr. N. Chandrasekaran*	Non-Independent, Non-Executive	
		Mr. V. Thyagarajan	Independent, Non-Executive	
		Mr. Cyrus Mistry**	Non-Independent, Non-Executive	
		Mr. Ishaat Hussain	Non-Independent, Non-Executive	
		* Appointed as member of the Committee w.e.f. February 20, 2017		
		** Ceased to be Director of the Company and consequently a member of this Committee w.e.f. December 13, 2016		
Stakeholders' Relationship Committee	<p>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.</p> <ul style="list-style-type: none"> <li>Consider and resolve the grievances of security holders</li> <li>Consider and approve issue of share certificates, transfer and transmission of securities, etc.</li> </ul>	Mr. V. Thyagarajan (Chairman)	Independent, Non-Executive	<ul style="list-style-type: none"> <li>One meeting of the stakeholders' relationship committee was held during the year.</li> <li>The Company has always valued its customer relationships. This philosophy has been extended to investor relationship and an Investor Relations Department (IRD) was set up in June 2004, prior to the Company's Initial Public Offer of shares. The IRD focuses on servicing the needs of various stakeholders viz. investors, analysts, brokers and the general public.</li> <li>Details of Investor complaints and Compliance Officer are given below this table.</li> </ul>
		Mr. O. P Bhatt	Independent, Non-Executive	
		Mr. N. Chandrasekaran*	Non-Independent, Non-Executive	
		Mr. Rajesh Gopinathan**	Non-Independent, Executive	
		Mr. N. Ganapathy Subramaniam**	Non-Independent, Executive	
		* Ceased to be member of the Committee w.e.f. March 10, 2017.		
		** Appointed as a member of the Committee w.e.f. March 10, 2017.		

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
Corporate Social Responsibility Committee ("CSR")	Committee is constituted in line with the provisions of Section 135 of the Act. <ul style="list-style-type: none"> <li>Formulate and recommend to the board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.</li> <li>Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.</li> <li>Monitor the CSR Policy.</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>Two meetings of the CSR committee were held during the year.</li> </ul>
		Mr. N. Chandrasekaran (Chairman) *	Non-Independent, Non-Executive	
		Mr. Cyrus Mistry **	Non-Independent, Non-Executive	
		Mr. O. P. Bhatt	Independent, Non-Executive	
		Mr. Rajesh Gopinathan#	Non-Independent, Executive	
		Ms. Aarthi Subramanian #	Non-Independent, Executive	
		* Appointed as Chairman of the Committee w.e.f. March 10, 2017 ** Ceased to be Director of the Company and consequently a member of this Committee w.e.f. December 13, 2016 # Appointed as a member of the Committee w.e.f. March 10, 2017		
Risk Management Committee	Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. <ul style="list-style-type: none"> <li>Frame, implement and monitor the risk management plan for the Company.</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>Four meetings of the risk management committee were held during the year.</li> </ul>
		Mr. Ishaat Hussain	Non-Independent, Non-Executive	
		Mr. N. Chandrasekaran	Non-Independent, Non-Executive	
		Mr. O. P. Bhatt	Independent, Non-Executive	
		Mr. Rajesh Gopinathan*	Non-Independent, Executive	
		Ms. Aarthi Subramanian	Non-Independent, Executive	
		* Relinquished the office of Chief Financial Officer and appointed as the Chief Executive Officer and Managing Director of the Company w.e.f. February 21, 2017		

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
<b>Other Committees</b>				
Ethics and Compliance Committee	<ul style="list-style-type: none"> <li>Consider matters relating to the Company's Code of Conduct (CoC).</li> <li>Monitoring of Anti Bribery and Anti Corruption Policy and Gifts Policy.</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>One meeting of the ethics and compliance committee was held during the year.</li> <li>Monthly reports are sent to the members of the ethics and compliance committee on matters relating to the CoC.</li> </ul>
		Mr. V. Thyagarajan, (Chairman)	Independent, Non-Executive	
		Mr. N. Chandrasekaran*	Non-Independent, Non-Executive	
		Mr. O. P. Bhatt	Independent, Non-Executive	
		Mr. Rajesh Gopinathan**	Non-Independent, Executive	
		Ms. Aarthi Subramanian**	Non-Independent, Executive	
		* Ceased to be member of the Committee w.e.f. March 10, 2017		
		** Appointed as a member of the Committee w.e.f. March 10, 2017		
Bank Account Committee	<ul style="list-style-type: none"> <li>Responsible for approval of the opening and closing of bank accounts of the Company.</li> <li>Authorise persons to operate the bank accounts of the Company.</li> </ul>	<b>Name</b>	<b>Category</b>	
		Mr. Aman Mehta	Independent, Non-Executive	
		Mr. N. Chandrasekaran*	Non-Independent, Non-Executive	
		Mr. Rajesh Gopinathan**	Non-Independent, Executive	
		* Ceased to be a member of the Committee w.e.f. March 10, 2017		
		** Appointed as a member of the Committee w.e.f. March 10, 2017		
Executive Committee	Detailed review of the following matters before these are presented to the Board: <ul style="list-style-type: none"> <li>Business and strategy review;</li> <li>Long-term financial projections and cash flows;</li> <li>Capital and revenue budgets and capital expenditure programmes;</li> <li>Acquisitions, divestments and business restructuring proposals;</li> <li>Senior management succession planning;</li> <li>Any other item as may be decided by the board.</li> </ul>	<b>Name</b>	<b>Category</b>	
		Mr. N. Chandrasekaran (Chairman)*	Non-Independent, Non-Executive	
		Mr. Cyrus Mistry**	Non-Independent, Non-Executive	
		Mr. Rajesh Gopinathan***	Non-Independent, Executive	
		Prof. Clayton M. Christensen	Independent, Non-Executive	
		Dr. Ron Sommer	Independent, Non- Executive	
		* Appointed as Chairman of the Committee w.e.f. March 10, 2017		
		** Ceased to be Director of the Company and consequently a member of this Committee w.e.f. December 13, 2016		
		*** Appointed as a member of the Committee w.e.f. March 10, 2017		

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
<b>Other Committees</b>				
Software Technology Parks of India (STPI) / Special Economic Zone (SEZ) committee	<ul style="list-style-type: none"> <li>Registration / renewal of registration / de-registration of various offices of the Company under the STPI / SEZ schemes and such other schemes as may be deemed fit and to also approve of other STPI/ SEZ/ other scheme(s) related matters.</li> </ul>	<b>Name</b>	<b>Category</b>	
		Mr. V. Thyagarajan	Independent, Non-Executive	
		Mr. N. Chandrasekaran*	Non Independent, Non-Executive	
		Mr. N. Ganapathy. Subramaniam**	Non-Independent, Executive	
		* Ceased to be a member of the Committee w.e.f. March 10, 2017 ** Appointed as a member of the Committee w.e.f. March 10, 2017		
Health, Safety and Sustainability Committee	<ul style="list-style-type: none"> <li>Framing and implementation of broad guidelines / policies with regard to the health, safety and sustainability activities</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>One meeting of the health, safety and sustainability committee was held during the year.</li> </ul>
		Dr. Vijay Kelkar (Chairman)	Independent, Non-Executive	
		Dr. Ron Sommer	Independent, Non-Executive	
		Mr. N. Chandrasekaran *	Non-Independent, Non-Executive	
		Mr. N. Ganapathy Subramaniam**	Non-Independent, Executive	
		* Ceased to be member of the Committee w.e.f. March 10, 2017 ** Appointed as a member of the Committee w.e.f. March 10, 2017		
The terms of reference of committee's are available on the website ( <a href="https://www.tcs.com/ir-corporate-governance">https://www.tcs.com/ir-corporate-governance</a> )				

**ii. Stakeholders Relationship Committee Details**
**a. Name, designation and address of Compliance Officer:**

Mr. Suprakash Mukhopadhyay  
 Global Treasury Head and Company Secretary  
 Tata Consultancy Services Limited  
 11th Floor, Maker Towers "E" Block  
 Cuffe Parade, Colaba  
 Mumbai 400 005  
 Telephone: 91 22 6778 9191  
 Fax: 91 22 6778 9660

**b. Details of investor complaints received and redressed during the year 2016-17 are as follows:**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
1	95	95	1*

\* SEBI had requested the complainant to upload the scanned copy of the Arbitration Tribunal Order in SCORES by April 20, 2017.

### iii. Nomination and Remuneration Committee Details

#### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

#### Remuneration Policy:

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our Business Model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the IT industry.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective April 1, each year. The Nomination and Remuneration Committee decides on the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director and each Executive Director.

During the year 2016-17 the Company paid sitting fees of ₹ 30,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Members have at the AGM of the Company held on June 27, 2014 approved a payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

### iv. Details of the Remuneration for the year ended March 31, 2017:

#### a. Non-Executive Directors:

(₹ lakh)

Name	Commission	Sitting Fees
Mr. N. Chandrasekaran, Chairman ( w.e.f. February 21, 2017)	-	0.90
Mr. Cyrus Mistry	-	1.80
Mr. Aman Mehta	265.00	6.30
Mr. V. Thyagarajan	180.00	6.90
Prof. Clayton M. Christensen	135.00	1.80
Dr. Ron Sommer	190.00	5.40
Dr. Vijay Kelkar	170.00	4.80
Mr. Ishaat Hussain	210.00	6.90
Mr. O. P. Bhatt	170.00	7.50
Mr. Phiroz Vandrevala	15.00	0.60



**b. Managing Director and Executive Director**

(₹ lakhs)

Name of Director	Salary	Benefits, Perquisites and Allowances	Commission	ESPS
Mr. N. Chandrasekaran Chief Executive Officer and Managing Director (upto February 21, 2017)	244.93	270.35	2500.00	nil
Mr. Rajesh Gopinathan Chief Executive Officer and Managing Director (w.e.f. February 21, 2017 for a period of 5 years)*	66.68	155.95#	400.00	nil
Mr. N Ganapathy Subramanian Chief Operating Officer and Executive Director (w.e.f. February 21, 2017 for a period of 5 years)**	76.06	189.30#	350.00	nil
Ms. Aarthi Subramanian Executive Director	81.69	90.20	200.00	nil

\* The remuneration includes compensation for the full year, i.e. as Chief Financial Officer from April 1, 2016 to February 21, 2017 and as Chief Executive Officer and Managing Director from February 21, 2017 to March 31, 2017.

\*\* The remuneration includes compensation for the full year, i.e. as President, Financial Services for April 1, 2016 to February 21, 2017 and as Chief Operating Officer and Executive Director from February 21, 2017 to March 31, 2017.

# Does not include performance bonus for FY 2016 paid in FY 2017.

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.

Services of the Managing Director and Executive Director may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

v. Number of Meetings Held and Attendance Records

Name of Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	CSR Committee	Ethics and Compliance Committee	Risk Management Committee	Health Safety and Sustainability Committee
Date on which meetings were held	6 meetings held on April 18, 2016; July 14, 2016; October 13, 2016; December 13, 2016; January 12, 2017 and February 20, 2017	4 meetings held on April 18, 2016; January 11, 2017; February 20, 2017 and March 10, 2017	1 meeting held on March 10, 2017	2 meetings held on October 12, 2016 and March 10, 2017	1 meeting held on March 10, 2017	4 meetings held on April 4, 2016; July 11, 2016; October 12, 2016 and March 10, 2017	1 meeting held on March 10, 2017
<b>Attended</b>							
<b>Name of Director</b>							
Mr. N. Chandrasekaran *	-	1	-	2	-	3	-
Mr. Cyrus Mistry **	-	1	-	1	-	-	-
Mr. Rajesh Gopinathan #	-	-	1	1	1	4	-
Mr. Aman Mehta	6	4	-	-	-	-	-
Mr. V. Thyagarajan	6	4	1	-	1	-	-
Prof. Clayton M. Christensen	-	-	-	-	-	-	-
Dr. Ron Sommer	6	-	-	-	-	-	1
Dr. Vijay Kelkar	5	-	-	-	-	-	1
Mr. Ishaat Hussain	6	4	-	-	-	4	-
Mr. O. P. Bhatt	6	-	1	2	1	4	-
Mr. Phiroz Vandrevala @	-	-	-	-	-	-	-
Mr. N Ganapathy Subramaniam ##	-	-	1	-	-	-	1
Ms. Aarthi Subramanian ###	-	-	-	1	1	4	-
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings						

\* Mr. N. Chandrasekaran was appointed as a Chairman of Corporate Social and Responsibility Committee w.e.f. March 10, 2017, as a member of Nomination and Remuneration Committee w.e.f. February 20, 2017 and ceased to be a member of Stakeholders' Relationship Committee, Ethics and Compliance Committee and Health Safety and Sustainability Committee w.e.f. March 10, 2017

\*\* Mr. Cyrus Mistry ceased to be a Director of the Company and consequently a member of Nomination and Remuneration Committee, and as a Chairman of Corporate Social and Responsibility Committee and Executive Committee w.e.f. December 13, 2016.

# Mr. Rajesh Gopinathan was appointed as a member of Ethics and Compliance Committee, Stakeholders' Relationship Committee and Corporate Social and Responsibility Committee w.e.f. March 10, 2017

@ Mr. Phiroz Vandrevala relinquished the office of Non-Executive Director w.e.f. July 8, 2016

## Mr. N Ganapathy Subramaniam was appointed as a member of Health Safety and Sustainability Committee and Stakeholders' Relationship Committee, w.e.f. March 10, 2017

### Ms. Aarthi Subramanian was appointed as a member of Ethics and Compliance Committee and Corporate Social and Responsibility Committee w.e.f. March 10, 2017

**IV. General Body Meetings**

## i. General Meeting

## a. Annual General Meeting (“AGM”):

Financial Year	Date	Time	Venue
2013-14	June 27, 2014	3.30 p.m.	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai – 400 020
2014-15	June 30, 2015		
2015-16	June 17, 2016		

b. An extra ordinary general meeting of the Company was held on December 13, 2016 at 3:30 p.m. at Yashwantrao Chavan Pratishthan Auditorium, Y.B. Chavan Centre, General Jangannath Bhosle Marg, next to Sachivalaya Gymkhana, Mumbai – 400021 for obtaining requisite approval of the shareholders of the Company for removal of Mr. Cyrus Mistry as a Director under Section 169 and other applicable provisions of the Companies Act, 2013

## c. Special Resolution (s)

No special resolution was passed by the Company in any of its previous three AGMs.

## ii Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

During the year, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated March 3, 2017 for Buyback of Equity Shares of the Company, the results of which were announced on April 17, 2017. Mr. P. N. Parikh (Membership No. FCS 327) of M/s Parikh and Associates, Practising Company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Details of Voting Pattern were as under:

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
Approval for Buyback of Equity Shares	7,341*	1,79,68,85,635	99.81	577	34,85,059	0.19	341	38,788

\* Two shareholders have partially voted for assent and partially for dissent. While their votes are counted, as cast, for the sake of number of shareholders they are counted only once in assent.

**Procedure for postal ballot:**

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 (“Rules”). The Company had completed the dispatch of the Postal Ballot Notice dated March 3, 2017 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on March 16, 2017 to the shareholders who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had offered the

facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from March 17, 2017 (9.00 a.m. IST) to April 15, 2017 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. Parikh submitted his report to the Company and the results of the postal ballot were announced by the Company on April 17, 2017. The voting results were sent to the Stock Exchanges and also displayed on the Company's website [www.tcs.com](http://www.tcs.com) and on the website of National Securities Depository Limited [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

iii. Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on June 16, 2017.

#### V. Other Disclosure

Particulars	Regulations	Details	Website link for details/policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	All material transactions entered into with related parties during the financial year were in the ordinary course of business and approved by the Audit Committee. The board approved policy for related party transactions is uploaded on the website of the Company.	<a href="https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS_Related_Party_Transactions_Policy.pdf">https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS_Related_Party_Transactions_Policy.pdf</a>
Details of Non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (c) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three years 2014-15, 2015-16 and 2016-17	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	<a href="https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Global-Policy-Whistle-Blower-Ver-5.pdf">https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Global-Policy-Whistle-Blower-Ver-5.pdf</a>
Policy on Determination of Materiality for Disclosures	Regulation 23 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures	<a href="https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Policy-Determination-of-Materiality-for-Disclosure.pdf">https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Policy-Determination-of-Materiality-for-Disclosure.pdf</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents	<a href="https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Policy-Archival-of-Documents.pdf">https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Policy-Archival-of-Documents.pdf</a>

Particulars	Regulations	Details	Website link for details/policy
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	<ul style="list-style-type: none"> <li>A message from the Chief Executive Officer and Managing Director on the half-yearly financial performance of the Company including a summary of the significant events in the six month period ended September 30, 2016 was sent to every member in October 2016.</li> <li>The auditors' report on statutory financial statements of the Company are unqualified.</li> <li>The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director/Chief Executive Officer.</li> <li>Ernst &amp; Young LLP, the internal auditors of the Company, make presentations to the audit committee on their reports.</li> </ul>	
Reconciliation of share capital audit		A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.	<a href="https://www.tcs.com/ir-corporate-governance">https://www.tcs.com/ir-corporate-governance</a>
Code of Conduct	Regulation 17 of SEBI Listing Regulations	The members of the board and senior management personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2017. The annual report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.	<a href="https://www.tcs.com/tata-code-of-conduct">https://www.tcs.com/tata-code-of-conduct</a>
Subsidiary Companies	Regulation 24 of SEBI Listing Regulations	<p>The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.</p> <p>The Company does not have any material non-listed Indian subsidiary company.</p>	The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link- <a href="https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS_Material_Subsi-diary_Policy.pdf">https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS_Material_Subsi-diary_Policy.pdf</a>



Particulars	Regulations	Details	Website link for details/policy
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	<p>A regular annual dividend consists of three interim dividends after each of the first three quarters of the fiscal year, topped up with a final dividend after the fourth quarter. In addition, every second or third year, the accumulated surplus cash has been returned to shareholders through a special dividend.</p> <p>In distributing the profits of the Company among shareholders, Board of Directors will seek to balance members' need for a reasonable and predictable return on their investment with the Company's funding requirements for longer-term sustainable growth.</p> <p>After meeting internal cash requirements and maintaining a reasonable cash balance towards any strategic investments, the Company will endeavor to return the rest of the free cash generated to shareholders through regular dividends.</p>	<a href="https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Dividend-Distribution-Policy.pdf">https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Dividend-Distribution-Policy.pdf</a>

## VI. Means of communication

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include The Indian Express, Financial Express, LokSatta, Business Standard, The Hindu Business Line, Hindustan Times, and Sandesh. The results are also displayed on the Company's website "www.tcs.com". Press Releases made by the Company from time to time are also displayed on the Company's website. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company's website. A list of Frequently Asked Questions (FAQs) giving details about the Company and its shares is uploaded on the Company's website under 'Investor FAQs' section. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

## VII. General shareholder information

### i. Annual General Meeting for FY 2016-2017

Date	:	June 16, 2017
Time	:	3.30 p.m.
Venue	:	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg New Marine Lines, Mumbai 400 020

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/re-appointment at the ensuing AGM are given herein and in the Annexure to the Notice of the AGM to be held on June 16, 2017.

### ii. Financial Calendar:

Year ending	:	March 31
AGM in	:	June
Dividend Payment	:	The final dividend, if declared, shall be paid/credited on June 23, 2017

iii. **Date of Book Closure / Record Date** : As mentioned in the Notice of the AGM to be held on June 16, 2017

iv. **Listing on Stock Exchanges** :

National Stock Exchange of India Limited ("NSE")  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051

BSE Limited ("BSE")  
25th floor, P. J. Towers, Dalal Street  
Mumbai 400 001

# TATA CONSULTANCY SERVICES LIMITED

Annual Report 2016-17

v. **Stock Codes/Symbol:**

NSE : TCS  
BSE : 532540

Listing Fees as applicable have been paid.

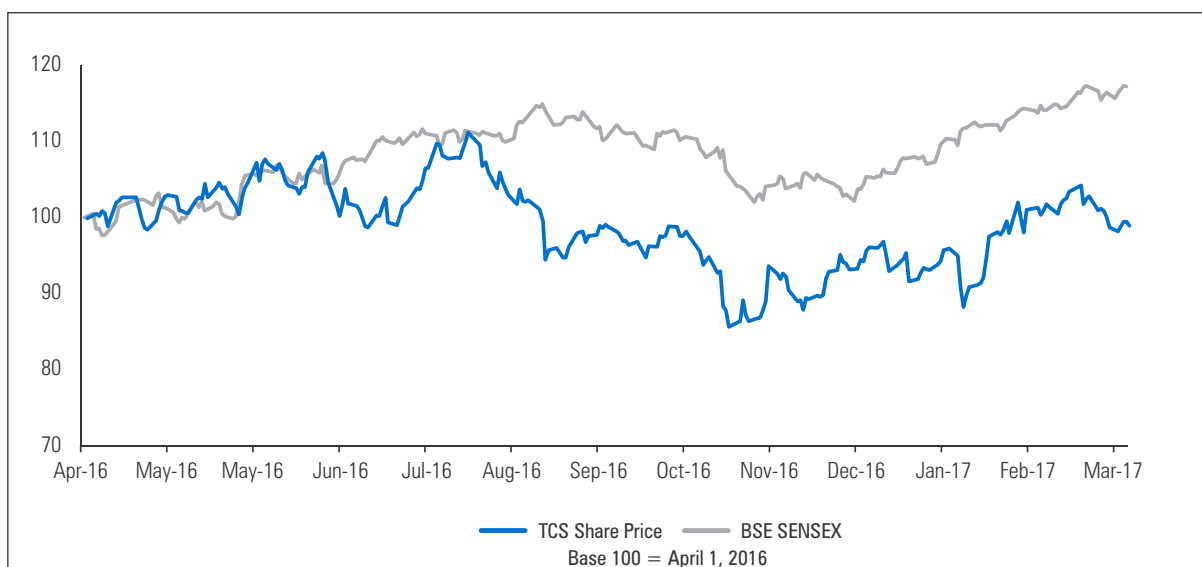
vi. **Corporate Identity Number (CIN) of the Company:** L22210MH1995PLC084781

vii. **Market Price Data:**

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2016-17 on NSE and BSE:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr-2016	2,535.50	2,417.05	245,98,437	2,530.05	2,417.20	17,44,830
May-2016	2,636.40	2,467.70	168,29,863	2,635.35	2,467.50	12,63,930
Jun-2016	2,667.65	2,463.95	219,25,266	2,665.50	2,461.80	13,03,910
Jul-2016	2,619.30	2,426.60	261,26,814	2,618.55	2,425.50	13,82,846
Aug-2016	2,738.45	2,500.55	230,20,890	2,732.35	2,501.60	12,11,478
Sep-2016	2,514.80	2,322.10	259,21,371	2,513.50	2,321.15	39,97,517
Oct-2016	2,428.65	2,328.90	207,93,059	2,428.70	2,328.50	20,96,477
Nov-2016	2,350.00	2,101.15	272,09,010	2,347.70	2,105.05	32,58,480
Dec-2016	2,365.55	2,154.55	208,30,615	2,361.95	2,158.20	11,80,000
Jan-2017	2,379.50	2,229.80	298,50,037	2,378.55	2,229.90	22,00,387
Feb-2017	2,502.20	2,167.90	336,42,122	2,506.50	2,169.45	26,71,385
Mar-2017	2,567.50	2,412.05	236,94,270	2,562.35	2,412.10	19,99,462

viii. **Performance of the share price of the Company in comparison to the BSE SENSEX:**



ix. **Registrars and Transfer Agents:**

Name and Address : TSR DARASHAW Limited ("TSRD")  
6-10, Haji Moosa Patrawala Industrial Estate  
20, Dr. E. Moses Road, Mahalaxmi  
Mumbai 400 011

Telephone : 91 22 6656 8484

Fax : 91 22 6656 8494

E-mail : csg-unit@tsrdarashaw.com

Website : www.tsrdarashaw.com

x. **Places for acceptance of documents** : Documents will be accepted at

: TSR DARASHAW Limited  
6-10, Haji Moosa Patrawala Industrial Estate  
20, Dr. E. Moses Road, Mahalaxmi  
Mumbai 400 011

Time : 10.00 a.m. to 3.30 p.m.  
(Monday to Friday except bank holidays)

For the convenience of the shareholders based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSRDL:

a. **Branches of TSRDL:**

- TSR DARASHAW Limited  
503, Barton Centre, 5th Floor  
84, Mahatma Gandhi Road  
Bangalore 560 001  
Telephone: 91 80 2532 0321  
Fax: 91 80 2558 0019  
E-mail: tsrdlbg@tsrdarashaw.com
- TSR DARASHAW Limited  
'E' Road, Northern Town  
Bistupur  
Jamshedpur 831 001  
Telephone: 91 657 2426616  
Fax: 91 657 2426937  
E-mail: tsrdljsr@tsrdarashaw.com
- TSR DARASHAW Limited  
Tata Centre, 1st Floor  
43, J. L. Nehru Road  
Kolkata 700 071  
Telephone: 91 33 2288 3087  
Fax: 91 33 2288 3062  
E-mail: tsrdlcal@tsrdarashaw.com
- TSR DARASHAW Limited  
2/42, Ansari Road, 1st Floor  
Daryaganj, Sant Vihar  
New Delhi 110 002  
Telephone: 91 11 2327 1805  
Fax: 91 11 2327 1802  
E-mail: tsrdldel@tsrdarashaw.com

b. **Agent of TSRDL:**

Shah Consultancy Services Limited  
3, Sumatinath Complex, 2nd Dhal Pritam Nagar, Ellisbridge  
Ahmedabad 380 006  
Telefax: 91 79 2657 6038  
E-mail: shahconsultancy8154@gmail.com

**xi. Share Transfer System:**

99.94% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with TSRDL at any of the above mentioned addresses.

Transfer of shares in physical form is normally processed within ten to twelve working days from the date of receipt, if the documents are complete in all respects. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary), under the authority of the board, severally approve transfers, which are noted at subsequent board meetings.

**xii. Shareholding as on March 31, 2017:**
**a. Distribution of equity shareholding as on March 31, 2017:**

Number of shares	Holding	Percentage to capital (%)	Number of accounts	Percentage to total accounts (%)
1 - 100	1,92,68,969	0.98	5,36,041	84.05
101 - 500	1,80,02,098	0.91	83,574	13.10
501 - 1000	71,40,310	0.36	10,061	1.58
1001 - 5000	1,21,92,212	0.62	6,136	0.96
5001 - 10000	41,19,726	0.21	590	0.09
10001 - 20000	50,01,393	0.25	353	0.06
20001 - 30000	34,26,504	0.18	142	0.02
30001 - 40000	36,01,452	0.18	103	0.02
40001 - 50000	33,88,535	0.17	76	0.01
50001 - 100000	1,54,46,657	0.79	216	0.03
100001 - above	1,87,88,40,085	95.35	511	0.08
<b>GRAND TOTAL</b>	<b>197,04,27,941</b>	<b>100.00</b>	<b>6,37,803</b>	<b>100.00</b>

**b. Categories of equity shareholding as on March 31, 2017:**

Category	Number of equity shares held	Percentage of holding (%)
Promoters	1,44,34,51,698	73.26
Other Entities of the Promoters Group	10,63,454	0.05
Insurance Companies	8,63,30,709	4.38
Indian Public and others	7,47,54,449	3.79
Mutual Fund and UTI	1,85,24,541	0.94
Corporate Bodies	92,43,212	0.47
Banks, Financial Institutions, State Governments and Central Government	17,78,686	0.09
Foreign Institutional Investors	3,56,48,888	1.81
Foreign Portfolio Investor – Corporate	29,72,84,243	15.09
NRI's / OCBs / Foreign Nationals	23,48,061	0.12
<b>GRAND TOTAL</b>	<b>1,97,04,27,941</b>	<b>100.00</b>

c. Top ten equity shareholders of the Company as on March 31, 2017:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of holding
1	Tata Sons Limited	1,443,451,698	73.26
2	Life Insurance Corporation of India	71,841,104	3.65
3	First State Investments Icvc- Stewart Investors Asia Pacific Leaders Fund	16,035,510	0.81
4	Abu Dhabi Investment Authority	11,033,526	0.56
5	Lazard Emerging Markets Portfolio	10,532,329	0.53
6	Government of Singapore	9,857,425	0.50
7	Oppenheimer Developing Markets Fund	9,472,685	0.48
8	Vanguard Emerging Markets Stock Index Fund, (a series of Vanguard International Equity Index Fund)	75,00,802	0.38
9	Europacific Growth Fund	6,854,315	0.35
10	Aberdeen Global Indian Equity Limited	6,272,473	0.32

xiii. Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.94% of the Company's equity share capital are dematerialised as on March 31, 2017.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE467B01029.

xiv. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2017, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

xv. Commodity price risk or foreign exchange risk and hedging activities:

Please refer to Management Discussion and Analysis Report for the same.

xvi. Equity shares in the suspense account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2016	200	7,746
Shareholders who approached the Company for transfer of shares from suspense account during the year	5	300
Shareholders to whom shares were transferred from the suspense account during the year	(5)	(300)
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	195	7,446

The voting rights on the shares outstanding in the suspense account as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares.



**xvii. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund ("IEPF"):**

Pursuant to Sections 205A and 205C, and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, were required to be transferred to the IEPF. Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were applicable with effect from September 7, 2016, also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company, erstwhile TCS e-Serve Limited and erstwhile CMC Limited, which have been amalgamated with the Company, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

**a. For shareholders of erstwhile TCS e-Serve Limited which has merged with the Company:**

The following table gives information relating to outstanding dividend accounts and the dates by which they can be claimed by the shareholders:

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2009-10	August 24, 2010	August 23, 2017
2010-11	August 12, 2011	August 11, 2018
2011-12	July 10, 2012	July 9, 2019
2012-13	May 30, 2013	May 29, 2020

**b. For shareholders of erstwhile CMC Limited which has merged with the Company:**

The following table gives information relating to outstanding dividend accounts and the dates by which they can be claimed by the shareholders:

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2009-10	June 29, 2010	June 28, 2017
2010-11	June 27, 2011	June 26, 2018
2011-12	June 27, 2012	June 26, 2019
2012-13	June 26, 2013	June 25, 2020
2013-14	June 23, 2014	June 22, 2021
2014-15	June 11, 2015	June 10, 2022
2015-16	July 16, 2015	July 15, 2022

**c. For shareholders of Tata Consultancy Service Limited (TCS):**

The following table gives information relating to outstanding dividend accounts and the dates by which they can be claimed by the shareholders in the financial year 2017-18:

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2009-10	July 2, 2010	July 1, 2017
2010-11	July 15, 2010	July 14, 2017
	October 21, 2010	October 20, 2017
	January 17, 2011	January 16, 2018

**Plant locations:**

In view of the nature of the Company's business viz. Information Technology (IT) Services and IT Enabled Services, the Company operates from various offices in India and abroad. The Company has a manufacturing facility at 17-B, Tivim Industrial Estate, Karaswada, Mapusa– Bardez, Goa.

**xviii. Address for correspondence:**

**Tata Consultancy Services Limited**

9th Floor, Nirmal Building

Nariman Point

Mumbai 400 021

Telephone: 91 22 6778 9595

Fax: 91 22 6778 9660

Designated e-mail address for Investor Services: [investor.relations@tcs.com](mailto:investor.relations@tcs.com)

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

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**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS  
AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S  
CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Global Head - HR, Global Business Unit Heads, Global Head - Legal and the Company Secretary as on March 31, 2017.

**Rajesh Gopinathan**  
Chief Executive Officer and Managing Director  
Mumbai, April 18, 2017

**INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE  
TO THE MEMBERS OF  
TATA CONSULTANCY SERVICES LIMITED**

1. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of TATA CONSULTANCY SERVICES LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

**Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**P. R. RAMESH**

Partner

(Membership No. 70928)

MUMBAI, April 18, 2017

# Corporate Sustainability Report



TCS Noida, Delhi

## Corporate Sustainability Report

Being part of the Tata group, TCS has a unique relationship with society at large. The Tata ethos of caring for the community governs all our actions. At the structural level, nearly half the dividend we pay out annually eventually reaches the various philanthropic trusts that own Tata Sons Ltd, going towards funding community programs in the areas of education, healthcare, and livelihoods. It is a source of tremendous pride and motivation to employees that their efforts and contribution to the company's business success result in tangible benefits to society at large.

TCS also engages in a variety of sustainability initiatives, with the goal of empowering communities to make an impact in the three focus areas of Education and Skills, Health and Wellbeing, and Environmental Stewardship. Our sustainability initiatives take the form of volunteering effort by our employees, providing pro bono IT services for worthy causes, and funding programs run by non-governmental organizations and other agencies.

In this section, we discuss our ongoing programs and new initiatives launched in FY17 towards making the world a better place. The statutory Business Responsibility Report is provided at the back of the Annual Report, along with some disclosures. TCS also publishes a more detailed Sustainability Report that is aligned with international sustainability disclosure standards. This is available on our website, [www.tcs.com](http://www.tcs.com).

### People

When TCS Mumbai associate Akhilesh Beri set out to conduct a clean-up drive at a city beach, only a few of his colleagues were willing to pursue the cause. Nevertheless, the small group was determined. They announced their intention on the TCS Purpose4Life portal, reaching out to like-minded associates far beyond their known circles. The result: nearly a 100 people turned up on the appointed day to spruce up Mumbai's Juhu beach.

*"We were only a few people and the cause demanded greater numbers. After we put up our plan on the portal, people responded in large numbers, bringing their families along. This initiative would have remained just a thought had it not been for Purpose4Life."*

The program is one of the many employee engagement initiatives launched by TCS, through which associates are encouraged to commit a minimum of 10 hours of volunteer activity each year. We aim to leverage our large employee base, vast global presence, and unmatched IT expertise to bring about social change.

In FY17, TCS associates dedicated 694,487 hours for various activities such as cleaning up beaches and forts, teaching marginalized communities conversational English, basic mathematics, and science, and augmenting their computer skills.

#### Education and Skill Development

Demonstrating our faith in the ability of computer-based education to empower those without access to resources and opportunities, we launched our flagship program for social empowerment, BridgeIT, in collaboration with the National Confederation of Dalit and Adivasi Organisations. The program aims to use Digital tools to mainstream marginalized communities, with focus on education, employability, and entrepreneurship.

In FY17, under BridgeIT, we trained 126 Digital entrepreneurs to implement our computer-aided learning module in 210 government schools, reaching 18,230 children and 808 adults across 143 villages. In schools where the program is active, overall attendance went up by nearly 52%.

TCS is also bringing the power of IT to support the Government of India's efforts toward making every adult functionally literate. Our long-running CSR initiative, the Adult Literacy Program (ALP) has the computer-based functional literacy (CBFL) system at its core. As part of the CBFL solution, non-literate adults receive approximately 50 hours of training in their native languages. CBFL supports nine Indian and three foreign languages.



The BridgeIT program aims to mainstream marginalized communities using Digital tools



The number of participants as well as the beneficiaries under ALP has gone up. We work with a range of partners, from jail authorities and local governments to NGOs and corporates. In FY17, this program reached over 1,26,000 persons.



TCS' Adult Literacy Program partners today range from NGOs to corporates

TCS also runs separate BPS and IT Employability Programs for the underprivileged. Launched in 2010, the BPS Program imparts basic training in English grammar and communication, mathematics, analytics, computers, and the working of the BPS industry. The IT Employability Program, on the other hand, trains rural engineering and science graduates in business skills, general aptitude, and technical skills. In FY17, over 9,100 students benefited from the former, while the latter helped 2,400 students.

To bring teachers up to speed with our fast-changing world, TCS initiated a Teacher Empowerment Program in 2014. This module provides them with soft skills through intensive training in communication, presentation, empathy, ethics, organizational behavior, time management, and stress management. Nearly 850 teachers have benefited from the program till date.

But education alone cannot bridge the talent gap in India. Mindful of this reality, TCS launched its UDAAN program, which offers experiential, activity-based learning over 14 weeks to help youngsters get access to employment opportunities. Facilitated by the National Skill Development Corporation, UDAAN is helping the youth in Jammu and Kashmir improve their employability. Of the 743 youngsters that have undergone training, 675 have been offered job opportunities with TCS.

Another program, Empower, focuses on enhancing spoken skills and basic computer-related knowledge. It has benefited nearly 2,178 support staff who have been employed and other organizations across 14 Indian cities.

TCS has also designed a program to increase the employability of visually impaired youth in India. Our Advanced Computer Training Centre (ACTC) offers them free, industry-specific training and skilling. The courses are tailored as per industry requirements to ensure a high placement rate. Target customers hail from industries such as legal and accountancy services, banking, hospitality, retail, BPO, and IT.

In Bengaluru, India, we have partnered with local NGOs to organize lab-based experiments to make science education more enjoyable for over 2,600 primary school students and 327 teachers across 19 government schools. TCS has also made science learning more accessible to children in tribal areas across Odisha by setting up mobile laboratories at 200 schools in the state, with the help of NGO partners.



TCS' mobile laboratories at 200 schools across Odisha are making science learning accessible to children in tribal areas

Children from marginalized communities need more than just classroom sessions to get a well-rounded education. So, TCS sponsors the education of students living in hostels run by the Manuski Center in Pune. We also fund subject-wise tuition classes, water filters, computers, and Wi-Fi facilities at the center. A similar initiative in villages on the outskirts of Mumbai has given nearly 1,300 tribal children access to volunteer-led English and computer science lessons, subject-wise laboratories, computers, printers, and scanners.

With knowledge of programming languages being an imperative to succeed in a Digital economy, TCS has developed LaunchPad, an animated series that uses gamification to teach programming logic in C++ and Python to school students. Since 2016, the program has reached over 5,700 students across India, Muscat, and Singapore. A similar program, InsigniT, was launched in Chennai in 2006 to help higher secondary school students understand programming and application development. Having supported over 12,700 students since inception, InsigniT was taken on the cloud in 2016 due to the growing demand for face-to-face sessions.



**TCS sponsors the educational infrastructure for students living in hostels run by the Manuski Center in Pune**

To facilitate resource sharing and collaboration among young entrepreneurs, we set up the Digital Impact Square (DISQ) — an open, social innovation center for students, start-up owners, and budding entrepreneurs from across the country. A select group of innovators receive sponsorship to look for ways to solve India’s pressing social problems through Digital technology.

In our continuing effort to align science and engineering education with the needs of the industry, we have launched an MSc program in Big Data Analytics in partnership with four leading institutes in India. Eighty students have enrolled in the first batch.

Another brick-and-mortar initiative was the Kohli Research Block at the Kohli Center on Intelligent Systems (KCIS), IIT Hyderabad. Inaugurated on January 16, 2017, this 60,000-sq-ft center is dedicated to research activities in robotics, natural language processing, and cognitive sciences.

### Health and Sanitation Efforts

After implementing a highly acclaimed system to cut wait times for OPD patients at India’s premier medical institution, the All India Institute of Medical Sciences (AIIMS). In 2016, TCS has initiated a similar transformation at the Tata Medical Center (TMC), Kolkata.

We have deployed our Hospital Management System (HMS) at TMC and the Cancer Institute (CI), Chennai, to deliver integrated patient treatment. In FY17, TCS upgraded CI’s Digital infrastructure to handle the increasing load of users and transactions. The benefits to patients were immediate: faster access to consultations, tests, and reports. The hospital can now focus on patient care instead of documentation.

In 2017, TCS created a tablet-based tool called e-partogram. Prescribed by the World Health Organization, this tool is used by workers associated with the Indian Institute of Public Health in Odisha to reduce infant and maternal mortality by identifying and prioritizing critical cases.

After funding the construction of toilets in 1,472 schools across the country — reaching over 80,757 girl students — under the Prime Minister’s Swachh Bharat in FY16, TCS is currently supporting sanitation awareness programs and the maintenance of the toilets.

### Overseas Initiatives

To encourage schoolchildren to pursue higher education in the science, technology, engineering, and mathematics (STEM) fields, TCS has implemented student engagement programs across several countries. In North America, our flagship program goIT continues to scale well (page 12). TCS is leading cross-sector efforts to expand diversity and ensure access to computer science education, including its founding partnership of STEM mentoring programs such as US 2020 and Million Women Mentors, and our ongoing work with partners such as NPower, NCWIT, Boys Scouts of America, and STEMconnector. Over 3,000 TCS volunteers supported these programs in FY17, reaching over 17,600 students. Additionally, over 300,000 people benefited through TCS’ leadership in national initiatives, STEM partnerships, and pro bono tech platforms. On December 1, 2016, MWM crossed the one million mentor pledges milestone, and has already engaged over 650,000 mentor-mentee relationships.

Meanwhile, the goIT program has taken wing and expanded across the Atlantic to Finland, Germany, and Sweden, and has so far reached more than 1,500 young people in direct partnerships with local schools. In each geography, the implementation of the program was tailored to fit local needs. One goIT success story is currently unfolding in Germany. At Frankfurt’s Edith-Stein-Schule Antoniushaus Hochheim, a school catering to differently-abled students, identical twins, Dominik and Michael, started small at goIT, tinkering with LEGO robots and the like. But two sessions in, the wheelchair-bound brothers, who had never programmed before, were hooked. Both the brothers have received student internships with TCS.

In the UK, TCS has been running its STEM initiative, IT Futures, under which we conduct workshops in schools and universities, develop online resources, and offer employment and internships to participants. The program has



**Wheelchair-bound identical twins, Dominik, and Michael from Frankfurt received student internships with TCS after attending our goIT program**

reached over 170,000 young people since inception, with 84,000 beneficiaries in FY17. “I always shrugged off the idea of choosing a career in IT, because I felt it wasn’t for me. But TCS’ workshops really showed me the practical side of IT and technology,” says Miqdad, a sixth form grade from London’s Stepney Green Maths, Computing and Science College. To keep young minds like Miqdad engaged, TCS also launched a series of events called Spark Salon. This program showcases thought-provoking perspectives on the role of technology in sustainability.

In Latin America, TCS runs the ENABLE program, an employment-related initiative that provides technical and soft skills training to underprivileged youth. In FY17, 24 ENABLE programs touched the lives of over 1,500 people across eight countries. The flagship goIT program has also been activated in this geography.

In Asia-Pacific, TCS associates supported Operation Smile in China, helping 85 underprivileged children undergo cleft lip surgeries in FY17. In Hong Kong, TCS partnered with the Young Men’s Christian Association (YMCA) to improve the quality of life of 293 underprivileged women and children. In the Philippines, we ran programs to support local schools that lack government funding, benefiting 3,500 students in FY17. In Australia, goIT has changed the lives of over 8,000 students and 531 teachers. Several tree-planting drives have also been held in schools and local communities across the Philippines, Malaysia, Thailand, and China.

In South Africa, TCS partnered with the Department of Public Enterprise to set up an IT learning center at Lisisiki in the Eastern Cape. This IT center is intended for use by multiple schools to provide children with basic IT skills, and to train unemployed women and youngsters in the local community. Every year, TCS associates contribute about 200 hours to train children in basic IT concepts in and around Johannesburg.

With all these initiatives, Tata Consultancy Services continues to change the lives of people across the globe – both within the company and outside.

### Employee Engagement

Employee engagement is a key part of TCS’ Environmental Sustainability Roadmap. To sensitize associates toward nature and the need to conserve resources, we organize induction training and on-site activities, and regularly send out awareness emails. Over 12 lakh training hours were spent on health, safety, and the environment in FY17.

TCS also observed ‘Tata Sustainability Month’ in June 2016, with over 1.6 lakh associates participating. As part of this initiative, more than 26,000 LED bulbs were supplied to 7,221 employees with the help of Energy Efficiency Services Ltd, and as part of the Ujala initiative of the Government of India. More than 20,000 people were also engaged beyond TCS boundaries through exhibitions and sessions at school and colleges.

## Planet

While plastic is not biodegradable, it can be recycled and reused. As part of a pilot program, TCS set up a PET bottle-crushing biocrux machine within its Pune campus in January 2017. These machines help convert PET bottles into flakes, which are used to create recycled products, or are absorbed for further industrial use. Since its installation, the biocrux machine has compacted 24,337 bottles, weighing a total 402 kg. The benefits are manifold — this not just helps reduce emissions, and the Company’s carbon footprint as a result, but also ensures TCS sends ‘zero waste to landfills.’ Both these are commitments to sustainability that we have made, and continue to abide by, among other components of our environment management plan. And both TCS and our supply chain partners are held to the same high standards through a series of programs.<sup>1</sup> (See Exhibit 1 and 2.) Sustainability is a key criterion for selecting vendors and maintaining ongoing relationships with them. Compliance to legal requirements is set as the minimum requirement for business.

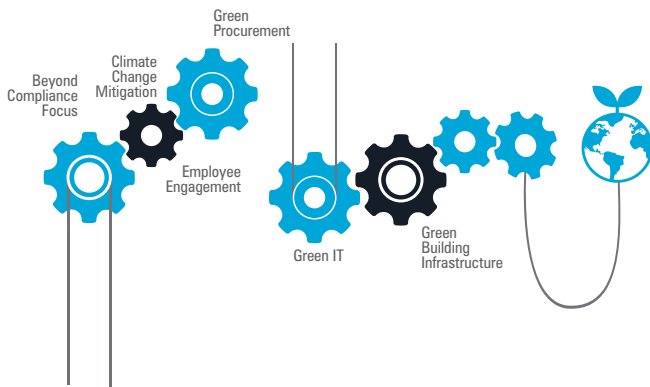


Exhibit 1: Environmental Management at TCS

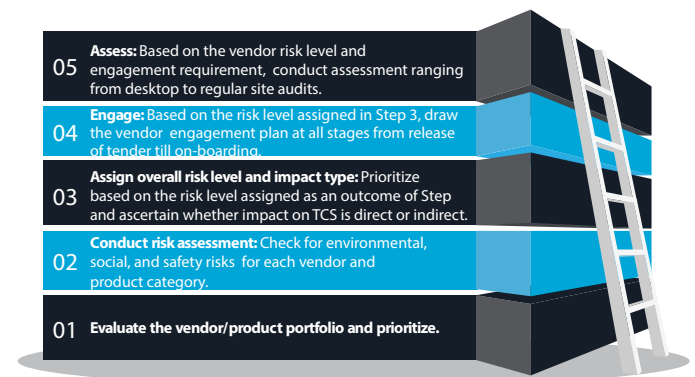


Exhibit 2: Steps for Supply Chain Sustainability

[1] Data for all geographies.

**Energy Conservation**

As part of our energy conservation plans, we aim to halve the company’s carbon footprint by 2020, with FY08 taken as the base year. Energy consumption is the key contributor to TCS’ carbon footprint, with purchased electricity accounting for 90% of our total consumption.

To achieve this carbon target, TCS has formulated a detailed plan of action on energy and carbon management, focusing on four key levers: green buildings, efficient operations, green IT, and use of renewable energy.

The foundation to better energy use is set with green infrastructure, designed as per green building standards for resource efficiency. Currently, over 50% of the total real estate portfolio of the Company is certified green building space, and 80% of TCS-owned real estate certified by the Indian Green Building Council (IGBC) or LEED.

As part of its remote energy monitoring and control initiative, TCS has completely digitized the energy monitoring process for over 135 locations in India and 23 key data centers. A centralized Resource Operations Center at Kochi helps monitor and streamline energy consumption with real-time analysis of usage patterns.

Our efforts in energy conservation have won accolades. Four TCS facilities — Garima Park, Gandhinagar; Deccan Park, Hyderabad; New Campus, Kochi; and Synergy Park, Hyderabad — won awards for energy management at the 17th National Award for Excellence in Energy Management 2016, organized by the Confederation of Indian Industries.

Apart from conventional sources of electricity, we also source power from rooftop solar panels and renewable energy purchased from third-party providers. We are targeting a 20% usage of renewable energy by 2020. Towards this, we are exploring more procurement from third-party providers, and also increasing in-house generation. In FY17, we reached the 7.2% mark, remaining on track to achieve the 2020 target.

Our concerted efforts resulted in the reduction of our overall energy consumption by 8.3% over FY16, and 49.1% over baseline year FY08. Our combined GHG emission (Scope 1 + Scope 2) was 1.62 tCO2e/FTE, 49.1% less than the baseline year 2008, and 9.72% less than the last reporting year.

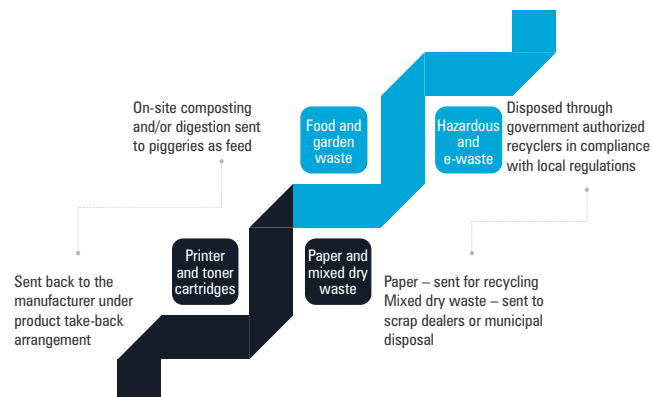
**Water Conservation**

All our new facilities are built for water conservation to ensure 100% treatment of sewage and rainwater harvesting. In FY17, consistent water management measures have helped reduce per capita fresh water consumption by 14.6% over baseline year FY08, and flattish compared to

FY16. TCS recycled 7.5 mn kL of water in FY17. Implementation of rooftop collection systems, storage tanks, and recharge trenches and pits has led to a 25% increase in the rainwater harvesting potential at TCS sites in FY17 over the previous year.

**Waste Reduction and Reuse**

Being an IT services and consulting organization, TCS does not produce industrial waste. Instead, the emphasis is on reducing municipal solid waste, as well as electronic and electrical waste. There is also a relatively smaller proportion of potentially hazardous wastes, such as lead-acid batteries and waste lube oil. TCS’ waste management practices (Exhibit 3) seek to ensure that less than 5% waste is sent to landfills by 2020 by ensuring segregation



*Exhibit 3: Waste Management Practices*

at source, reuse, and recycle wherever possible.

In FY17, 27.4% of the total wet waste generated was treated through onsite composting or bio-digester treatment. A total of 185.5 ton of compost was generated from garden waste in FY16, helping TCS avoid the use of chemical fertilizers, and the resultant soil and groundwater pollution. As for e-waste, in FY17, 25,623 items of redundant equipment were disposed of through government-authorized handlers or recyclers, in accordance with the regulations of each country.<sup>2</sup> For India operations, hazardous wastes (as defined by regulations) are handled and disposed of as per the Hazardous Waste (Management and Handling) Rules, 2008, only through government-authorized vendors.

As a result of TCS’ focus on waste reduction, per capita paper consumption has reduced by 19.8% over the prior year, and 83.6% over the baseline. The success of this drive can be attributed to the awareness created among associates, and the enforcement of printing discipline through automated and manual means. Paper waste is carefully segregated, shredded, and sent for recycling. In some cases, waste paper is sent to NGOs, which supply stationery items such as notepads and files made from recycled paper back to TCS. In FY17, TCS continued to achieve 100% recycling of its paper waste.<sup>2</sup>

[2] Data given is only for India, since most overseas locations are multi-occupancy facilities, where waste handling and disposal is handled by the building authority.



# Business Responsibility Report



TCS Synergy Park, Hyderabad



## Business Responsibility Report 2016-17

This section is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A more detailed Sustainability Report for the year FY17 will be published shortly on our website: [www.tcs.com](http://www.tcs.com).

### Section A: General information about the company

- Corporate Identity Number (CIN) of the Company:**  
L22210MH1995PLC084781
- Name of the Company:** Tata Consultancy Services Limited
- Registered address:** 9th Floor, Nirmal Building, Nariman Point, Mumbai - 400 021, India
- Website:** [www.tcs.com](http://www.tcs.com)
- E-mail id:** [corporate.sustainability@tcs.com](mailto:corporate.sustainability@tcs.com)
- Financial Year reported:** April 1, 2016 to March 31, 2017
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

ITC Code	Product Description
85249009	Computer Software

- List three key products / services that the Company manufactures / provides (as in balance sheet): Consulting and IT Services, IT Infrastructure Services, and Business process services
- Total number of locations where business activity is undertaken by the Company: 141 Solution Centers
- (a) Number of International Locations (Provide details of major 5):

Top 5 regions are:

North America	7
Continental Europe	3
UK & Ireland	7
APAC	9
LATAM	8

(b) Number of National Locations: 105

- Markets served by the Company – Local / State / National / International: North America, Latin America, United Kingdom & Ireland, Continental Europe, Asia Pacific, Middle East & Africa, and India

### Section B: Financial details of the company

- Paid up Capital (INR):** 197 Crore
- Total Turnover (INR):** 1,17,966 Crore
- Total profit after taxes (INR):** 26,289 Crore
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 1.7% of average profit for previous three years in respect of standalone TCS (India initiatives only)

Category (CSR in India only)	₹ Crore
Education & Skill Building	90.6
Health & Wellness	88.3
Restoration of Heritage Site	0.2
Environmental Sustainability	0.6
Contribution to TCS Foundation	200.0
<b>Total</b>	<b>379.7</b>

- List of activities in which expenditure in 4 above has been incurred: Including overseas spend, the Company's total spending on Corporate Social Responsibility is ₹ 437 Crore

### Section C: Other details

- Does the Company have any Subsidiary Company/ Companies? Yes
- Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): Yes. 22 subsidiaries participated
- Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] No

### Section D: BR information

- Details of Director/Directors responsible for BR
  - Details of the Director/Director responsible for implementation of the BR policy/policies  
The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

DIN Number	Name	Designation
00121863	Mr N. Chandrasekaran	Chairman
00548091	Mr O.P. Bhatt	Independent Director
06365813	Mr Rajesh Gopinathan	Chief Executive Officer and Managing Director
07121802	Ms Aarthi Subramaniam	Executive Director

- Details of the BR head

Name: Mr. Ajoyendra Mukherjee

Designation: Executive Vice President & Global Head HR

Telephone number: 022 67789999

E-mail id: [corporate.sustainability@tcs.com](mailto:corporate.sustainability@tcs.com)

## 2. Principle wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1 Business should conduct and govern themselves with ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the wellbeing of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- P5 Businesses should respect and promote human rights
- P6 Business should respect, protect, and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

S.N.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? Indicate the link for the policy to be viewed online.	Y*	Y*	Y*	Y**	Y*	Y***	Y*	Y*	Y*
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	N	Y	N	N	Y	N	N	Y

\* Tata Code of Conduct (<https://www.tcs.com/tata-code-of-conduct>);

\*\* CSR Policy (<http://sites.tcs.com/corporate-sustainability/corporate-social-responsibility-policy>);

\*\*\* Environment Policy (<http://sites.tcs.com/corporate-sustainability/environmental-policy>)

## 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: Within 3 months. The Board meets 7-8 times a year
- (b) Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? Yes, the Company publishes its Sustainability Report annually. The hyperlink is: <http://sites.tcs.com/corporate-sustainability/archive-of-annual-sustainability-reports>

## Section E: Principle-wise performance

### Principle 1

1. Does the policy relating to ethics, bribery, and corruption cover only the company? No  
Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? Yes
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so: 129 ethics concerns from various stakeholders were received in the year FY17. 123 (95%) of these were satisfactorily resolved. The remaining concerns are under review.

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities: Three examples of work done by TCS that results in social and environmental good are: (a) Reduction of emissions from thermal plants (See Page 19), (b) Reduction in electricity consumption at TCS centers (See Page 14) and (c) mKrishi system that empowers farmers with data to improve farming productivity (More details online - <https://goo.gl/w8YsWS>).
2. (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? Not applicable  
 (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?: See Page 14 (Reimagining Energy Management)
3. Does the company have procedures in place for sustainable sourcing (including transportation)? Yes  
 (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. 100% of our suppliers sign the Supplier Code of Conduct and the Tata Code of Conduct. Our policy on supply chain sustainability can be found here: <http://sites.tcs.com/corporate-sustainability/sustainable-supply-chain-policy>. More details of our framework are provided in our Corporate Sustainability Report, which forms part of this Annual Report.
4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? Yes  
 (a) If yes, what steps have been taken to improve the capacity and capability of local and small vendors? Two vendors from the marginalised community commissioned and empanelled with TCS under the CSR supplier diversity and affirmative action initiatives continue to work with TCS. Under the BridgeIT program, TCS has trained digital entrepreneurs who have established themselves as key resources in the villages within which they operate. The Company has worked to open up new avenues and provide opportunities to the entrepreneurs to utilize their skills in an effective manner, including providing them the opportunity to be part of Jagriti Yatra, the government initiative of 'building India through enterprise'. To enhance livelihood options in Panvel, India, TCS associates have trained 45 women in making eco-friendly jute bags through the 'Women Empowerment Programme'. We procure those bags for distribution at various marketing events organized by TCS.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so: Yes. For more details please refer Corporate Sustainability Report, which forms part of this Annual Report.

**Principle 3**

1. Please indicate the Total number of employees: 3,87,223 as on March 31, 2017
2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis: 14,525 as on March 31, 2017
3. Please indicate the Number of permanent women employees: 1,34,542 as on March 31, 2017
4. Please indicate the Number of permanent employees with disabilities: 525
5. Do you have an employee association that is recognized by the management? Yes
6. What percentage of your permanent employees are members of this recognized employee association? 0.02%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: 65 complaints of sexual harassment, of which four are pending. No complaints received in other areas.
8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?  
 (a) Permanent Employees - 98%; (b) Permanent Women Employees - 98%; (c) Casual/Temporary/Contractual Employees - 87%; (d) Employees with Disabilities – 87.8%

**Principle 4**

1. Has the company mapped its internal and external stakeholders? Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders: Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so: Yes. TCS has several programs designed to benefit marginalized stakeholders. Please refer Corporate Sustainability Report, which forms part of this Annual Report, for details of BridgeIT, Advanced computer training for the visually impaired, Adult Literacy Program, UDAAN and BPS/IT Employability Programs.

### Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? The policy is applicable to TCS, its subsidiaries and vendors.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? None was received

### Principle 6

- 1) Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. The policy is applicable to TCS, its subsidiaries and vendors
- 2) Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc: Yes. For more details please refer Corporate Sustainability Report, which forms part of this Annual Report.
- 3) Does the company identify and assess potential environmental risks? Yes
- 4) Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? Not applicable
- 5) Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc: Yes. For more details please refer Corporate Sustainability Report, which forms part of this Annual Report.
- 6) Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? Yes
- 7) Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. None

### Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Yes. Some organizations are - National Association of Software and Services Companies (NASSCOM), Confederation of Indian Industries (CII), All India Management Association (AIMA), Federation of India Chambers of Commerce and Industry (FICCI), US India Business Council (USIBC), and US Chamber of Commerce
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes, specify the broad areas (drop box: Governance and Administration,

Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others): Yes. TCS participated in consultations on Governance and Administration, Sustainable Business Principles, Inclusive Development Policies (with a focus on skill building and literacy), Economic Reforms and Tax, and other legislations. TCS uses the Tata Code of Conduct as a guide for its actions in influencing public and regulatory policy.

### Principle 8

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof? Yes. For more details please refer Corporate Sustainability Report, which forms part of this Annual Report.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? TCS uses all of these modes
3. Have you done any impact assessment of your initiative? Yes
4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken? Rs 437 crore. For more details please refer Corporate Sustainability Report, which forms part of this Annual Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so. Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, monthly reports, and follow-up field visits, and telephonic and email communications are regularly carried out. The Company has engaged highly trained employees to drive and monitor the CSR activities.

### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year? 10.8% of complaints are pending resolution.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information): Not applicable
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so: No
4. Did your company carry out any consumer survey/ consumer satisfaction trends? Yes

## Awards and Recognition

### Business

- Ranked as one of the **Top 3 Global Brands** in IT Services by Brand Finance
- Ranked **among Top 100 US Brands** in the annual 'Top 500 US Brands' survey by Brand Finance® for second consecutive year
- Awarded the **Business Superbrands** status in the UK for the third year in a row
- Won Three Silver Stevies® at 2016 American Business Awards, for **Brand Experience of the Year** (Business-to-Business), **Mobile Marketing Campaign of the Year** and **Corporate Social Responsibility Program of the Year**.
- Ranked Number One on the 2016 IDC Financial Insights **FinTech Rankings Top 100**
- **TCS Remote Energy Management Solution** won the 2016 IoT Award in the Connected Building category from IoT Evolution magazine
- Awarded a Gold Stevie for the **Interview Ready Mobile Learning App** at International Business Awards 2016
- Named **Technology Company of the Year** at the 2016 Asia CEO Awards
- Ignio™ recognized as the '**Best Enterprise Application for AI**' by The Alconics, the independently judged awards celebrating innovation
- Won the **Asian Banker Technology Innovation Award** under the Data & Analytics Project category
- Won the **National Intellectual Property Award** and **WIPO Award 2016** for Innovative Enterprise

### Employer

- Certified as a '**Top Employer in North America 2017**' by the Top Employers Institute, third time in a row; **Top UK Employer** fifth time in a row; rated **Top**

**Employer in 24 countries**, one of only 8 companies worldwide to be ranked as Global Top Employer

- Won 15 Brandon Hall Group HCM Excellence Awards across five human resources categories
- Named as one of the **Best and Brightest Companies To Work For®** in the US in recognition of our commitment to **excellence in operations, employee enrichment and worksite health**.
- Received Gold Optimas award for **Managing Change** and Silver Optimas award for **Corporate Citizenship** from Workforce Magazine
- Awarded Silver Stevie for **Employee Engagement** at the first ever Stevie Awards for Great Employers (SAGE)
- Won an **Excellence award** in the Exelon Diversity & Inclusion Partnership assessment
- **Achievers Award** for '**50 Most Engaged Workplaces in North America**' for the fourth consecutive year
- Named as one of **The Times Top 50 Employers for Women** in the UK

### Sustainability

- mKRISHI® won the National Contest for **Social Innovation 2016** hosted by Ministry of External Affairs along with NITI Aayog
- Named the **Most Socially Responsible Company of the Year** and the **Industry Champion of the Year** at 2016 Asia Corporate Excellence and Sustainability (ACES) Awards
- Awarded the **Gold rating certificate** by EcoVadis for the third time in a row
- Included in the **Global Dow Jones Sustainability Index 2016** for the fourth consecutive year

- Won four awards at the CII's 17th National Awards for **Excellence in Energy Management 2016**

- Won the **Top Employee Engagement and Social Responsibility Awards** at the North American Employee Engagement Awards

### Partner

- Honored with **Best Supplier Award** by Infineon
- Conferred with the **Oracle Cloud Elite** designation within the OPN Cloud Program; awarded the **Oracle Excellence Award** for the third consecutive year, named this time as the OPN Cloud Program Solution: **PaaS Partner of the Year**
- Awarded '**2016 Digital Innovator of the Year**' by GE Digital
- Recognized by Pega Japan with the **Best Partner Award 2016**
- Won 'Best Supplier' award from NXP
- Awarded the '**Run SAP® Partner of the Year**' **Pinnacle Award** for the fourth consecutive year

### Leadership

- Awarded the **Platinum award** in the Large Enterprise (Services category) in the Financial Express **CFO of the Year** awards 2017
- Then CEO N. Chandrasekaran awarded the '**Business Leader of the Year award**' at the ET Corporate Excellence Awards 2016
- Polled top honors in the Institutional Investor's 2016 All Asia Executive Team rankings in all five categories: **Best CEO, Best CFO, Best IR Professional, Best Investor Relations** and **Best IR Website**
- Then CFO, **Rajesh Gopinathan**, awarded the **Overall Champion CFO** at the Yes Bank-BW Best CFO Awards 2016



# Consolidated Financial Statements



TCS Sahyadri Park, Pune

**TO THE MEMBERS OF  
TATA CONSULTANCY SERVICES LIMITED****Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of **Tata Consultancy Services Limited** ('the Company') and its subsidiary companies (the Company and its subsidiary companies together referred to as 'the Group') comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information ('the consolidated Ind AS financial statements').

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the Company and its subsidiary companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Company.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary companies referred to in the 'Other Matter' below, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

**Other Matter**

We did not audit the financial statements of 9 subsidiaries, whose financial statements reflect total assets of ₹ 10,572 crores as at March 31, 2017, total revenues of ₹ 17,102 crores and net cash inflows amounting to ₹ 640 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Section 143(3) of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, referred in the 'Other Matter' paragraph above, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the Directors of the Company as on March 31, 2017 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A', which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Company and its subsidiary companies incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
  - iv) The Company has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of account maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us by the management of the respective Group entities.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W - 100018)

**P. R. RAMESH**  
Partner  
(Membership No. 70928)

Mumbai, April 18, 2017

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Tata Consultancy Services Limited** ('the Company') and its subsidiary companies incorporated in India as at March 31, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended and as at March 31, 2017.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies incorporated in India.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.



#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 6 subsidiary companies, which are incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W - 100018)

**P. R. RAMESH**  
Partner  
(Membership No. 70928)

Mumbai, April 18, 2017



**Consolidated Balance Sheet as at March 31, 2017, 2016 and April 1, 2015**

(₹ crores)

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	4	10,057	9,971	8,641
(b) Capital work-in-progress		1,541	1,670	2,762
(c) Intangible assets	5	47	134	220
(d) Goodwill	6	1,597	1,669	1,572
(e) Financial assets				
(i) Investments	7(A)	344	343	253
(ii) Loans	8(A)	9	2,472	1,581
(iii) Other financial assets	9(A)	825	1,325	1,234
(f) Income tax assets (net)		4,789	4,465	4,094
(g) Deferred tax assets (net)	10	2,828	2,908	2,633
(h) Other assets	11(A)	689	926	1,075
<b>Total non-current assets</b>		<b>22,726</b>	<b>25,883</b>	<b>24,065</b>
<b>Current assets</b>				
(a) Inventories	12	21	16	15
(b) Financial assets				
(i) Investments	7(B)	41,636	22,479	1,501
(ii) Trade receivables	13	22,684	24,073	20,440
(iii) Unbilled revenue		5,351	3,992	3,827
(iv) Cash and cash equivalents	14	3,597	6,295	1,862
(v) Other balances with banks	15	552	493	16,696
(vi) Loans	8(B)	2,909	2,743	1,493
(vii) Other financial assets	9(B)	1,474	916	909
(c) Income tax assets (net)		26	32	75
(d) Other assets	11(B)	2,276	2,174	2,083
<b>Total current assets</b>		<b>80,526</b>	<b>63,213</b>	<b>48,901</b>
<b>TOTAL ASSETS</b>		<b>1,03,252</b>	<b>89,096</b>	<b>72,966</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	16	197	197	197
(b) Other equity	17	86,017	70,875	55,856
<b>Equity attributable to shareholders of the Company</b>		<b>86,214</b>	<b>71,072</b>	<b>56,053</b>
Non-controlling interests		366	355	223
<b>Total Equity</b>		<b>86,580</b>	<b>71,427</b>	<b>56,276</b>
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Long-term borrowings	18(A)	71	83	115
(ii) Other financial liabilities	19(A)	454	493	662
(b) Employee benefit obligation	23(A)	245	237	203
(c) Provisions	20(A)	39	40	94
(d) Deferred tax liabilities (net)	10	919	805	540
(e) Other liabilities	21(A)	432	442	404
<b>Total non-current liabilities</b>		<b>2,160</b>	<b>2,100</b>	<b>2,018</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Short-term borrowings	18(B)	200	113	186
(ii) Trade and other payables		6,279	7,541	8,832
(iii) Other financial liabilities	19(B)	1,550	2,364	1,245
(b) Unearned and deferred revenue		1,398	1,359	1,062
(c) Current income tax liabilities (net)		1,412	805	546
(d) Employee benefit obligation	23(B)	1,862	1,635	1,356
(e) Provisions	20(B)	66	115	103
(f) Other liabilities	21(B)	1,745	1,637	1,342
<b>Total current liabilities</b>		<b>14,512</b>	<b>15,569</b>	<b>14,672</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,03,252</b>	<b>89,096</b>	<b>72,966</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

1-33

As per our report attached

For and on behalf of the Board

 For Deloitte Haskins & Sells LLP  
Chartered Accountants

 N. Chandrasekaran  
Chairman

 V. Ramakrishnan  
CFO

 Dr. Ron Sommer  
Director

 Aarthi Subramanian  
Executive Director

 O. P. Bhatt  
Director

 P. R. Ramesh  
Partner

 Rajesh Gopinathan  
CEO and Managing Director

 Ishaat Hussain  
Director

 V. Thyagarajan  
Director

 Prof. Clayton M Christensen  
Director

Mumbai, April 18, 2017

 N. Ganpathy Subramaniam  
COO and Executive Director

 Dr. Vijay Kelkar  
Director

 Aman Mehta  
Director

 Suprakash Mukhopadhyay  
Company Secretary

## Consolidated Statement of Profit and Loss for the years ended March 31, 2017 and 2016

(₹ crores)

	Note	2017	2016
I. Revenue from operations		1,17,966	1,08,646
II. Other income (net)	22	4,221	3,084
<b>III. TOTAL INCOME</b>		<b>1,22,187</b>	<b>1,11,730</b>
<b>IV. Expenses:</b>			
(a) Employee benefit expenses	23	61,621	55,348
(b) Other operating expenses	24	24,034	22,621
(c) Finance costs	25	32	33
(d) Depreciation and amortisation expense		1,987	1,888
<b>TOTAL EXPENSES</b>		<b>87,674</b>	<b>79,890</b>
<b>V. PROFIT BEFORE TAX</b>		<b>34,513</b>	<b>31,840</b>
<b>VI. Tax expense:</b>			
(a) Current tax	10	8,235	7,508
(b) Deferred tax	10	(79)	(6)
<b>TOTAL TAX EXPENSE</b>		<b>8,156</b>	<b>7,502</b>
<b>VII. PROFIT FOR THE YEAR</b>		<b>26,357</b>	<b>24,338</b>
<b>VIII. OTHER COMPREHENSIVE (LOSS) / INCOME</b>			
(A) (i) Items that will be reclassified subsequently to the statement of profit and loss			
(a) Net changes in fair values of investments other than equity shares carried at fair value through OCI		740	82
(b) Net changes in fair values of intrinsic value of cash flow hedges		41	(73)
(c) Net changes in fair values of time value of cash flow hedges		3	(21)
(d) Exchange differences on translation of financial statements of foreign operations		(474)	402
(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss		(261)	(15)
(B) (i) Items that will not be reclassified subsequently to the statement of profit and loss			
(a) Remeasurement of defined employee benefit plans		(208)	(114)
(b) Net changes in fair values of investments in equity shares carried at fair value through OCI		(20)	1
(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		2	7
<b>TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME</b>		<b>(177)</b>	<b>269</b>
<b>IX. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>26,180</b>	<b>24,607</b>
<b>Profit for the year attributable to:</b>			
Shareholders of the Company		26,289	24,270
Non-controlling interests		68	68
		<b>26,357</b>	<b>24,338</b>
<b>Total comprehensive income for the year attributable to:</b>			
Shareholders of the Company		26,117	24,498
Non-controlling interests		63	109
		<b>26,180</b>	<b>24,607</b>
<b>X. Earnings per equity share:- Basic and diluted (₹)</b>	26	133.41	123.18
Weighted average number of equity shares (face value of ₹ 1 each)		197,04,27,941	197,04,27,941
<b>XI. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS</b>	1-33		

As per our report attached

For and on behalf of the Board

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

**N. Chandrasekaran**  
Chairman

**V. Ramakrishnan**  
CFO

**Dr. Ron Sommer**  
Director

**Aarthi Subramanian**  
Executive Director

**O. P. Bhatt**  
Director

**P. R. Ramesh**  
Partner

**Rajesh Gopinathan**  
CEO and Managing Director

**Ishaat Hussain**  
Director

**V. Thyagarajan**  
Director

**Prof. Clayton M Christensen**  
Director

Mumbai, April 18, 2017

**N. Ganpathy Subramaniam**  
COO and Executive Director

**Dr. Vijay Kelkar**  
Director

**Aman Mehta**  
Director

**Suprakash Mukhopadhyay**  
Company Secretary

**Consolidated Statement of Changes in Equity for the years ended March 31, 2017 and 2016**

A. EQUITY SHARE CAPITAL		Balance as at April 1, 2015		Changes in equity share capital during the year		Balance as at March 31, 2016	
		197		-		197	
		Balance as at April 1, 2016		Changes in equity share capital during the year		Balance as at March 31, 2017	
		197		-		197	

B. OTHER EQUITY		Items of other comprehensive income										Total Equity	
Capital reserve	Securities premium	Reserves and surplus			Statutory reserve	Investment revaluation reserve	Cash flow Hedging reserve			Foreign currency translation reserve	Equity attributable to shareholders of the Company	Non-controlling interests	Total Equity
		Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve			Intrinsic value	Time value					
75	1,919	413	8,245	-	43,904	120	3	131	(1)	1,047	55,856	223	56,079
-	-	-	-	-	24,270	-	-	-	-	-	24,270	68	24,338
-	-	-	-	-	(108)	-	56	(63)	(18)	361	228	41	269
-	-	-	-	-	24,162	-	56	(63)	(18)	361	24,498	109	24,607
-	-	-	-	-	(9,479)	-	-	-	-	-	(9,479)	(36)	(9,515)
-	-	110	2,304	-	(2,479)	65	-	-	-	-	-	-	-
-	-	-	-	-	5	-	(5)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	59	59
75	1,919	523	10,549	-	56,113	185	54	68	(19)	1,408	70,875	355	71,230
75	1,919	523	10,549	-	56,113	185	54	68	(19)	1,408	70,875	355	71,230
-	-	-	-	-	26,289	-	-	-	-	-	26,289	68	26,357
-	-	-	-	-	(206)	-	464	37	2	(469)	(172)	(5)	(177)
-	-	-	-	-	26,083	-	464	37	2	(469)	26,117	63	26,180
-	-	-	-	-	(10,947)	-	-	-	-	-	(10,947)	(26)	(10,973)
-	-	-	-	-	(33)	33	-	-	-	-	-	-	-
-	-	-	-	-	(20)	-	20	-	-	-	-	-	-
-	-	-	-	-	(376)	-	-	-	-	-	-	-	-
-	-	-	-	-	(279)	279	-	-	-	-	-	-	-
-	-	-	-	-	(28)	-	-	-	-	-	(28)	(26)	(54)
75	1,919	523	10,549	97	71,071	218	538	105	(17)	939	86,017	366	86,383

**Balance as at April 1, 2015**  
Profit for the year  
Other comprehensive income  
**Total comprehensive income**  
Dividend (including tax on dividend)  
Transfer to reserves (Refer note 17)  
Realised gain on equity shares carried at fair value through OCI  
Remeasurement of obligation to acquire non-controlling interests

**Balance as at March 31, 2016**  
**Balance as at April 1, 2016**  
Profit for the year  
Other comprehensive income  
**Total comprehensive income**  
Dividend (including tax on dividend)  
Transfer to reserves (Refer note 17)  
Realised loss on equity shares carried at fair value through OCI  
Transfer to Special Economic Zone re-investment reserve  
Transfer from Special Economic Zone re-investment reserve on utilisation  
Purchase of non-controlling interests  
**Balance as at March 31, 2017**

**C. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS 1-33**

As per our report attached		For and on behalf of the Board													
For Deloitte Haskins & Sells LLP Chartered Accountants		N. Chandrasekaran Chairman		V. Ramakrishnan CFO		Dr. Ron Sommer Director		Suprakash Mukhopadhyay Company Secretary		Dr. Vijay Kelkar Director		Ishaat Hussain Director		V. Thyagarajan Director	
P. R. Ramesh Partner		Rajesh Gopinathan CEO and Managing Director		N. Ganapathy Subramanian COO and Executive Director		O.P. Bhatt Director		Prof. Clayton M. Christensen Director		Aman Mehta Director		Aarathi Subramanian Executive Director			
Mumbai, April 18, 2017															

## Consolidated Statement of Cash Flows for the years ended March 31, 2017 and 2016

(₹ crores)

	Note	2017	2016
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the year		26,357	24,338
<b>Adjustments to reconcile profit and loss to net cash provided by operating activities:</b>			
Depreciation and amortisation expense		1,987	1,888
Net gain on disposal of property, plant and equipment		(3)	(5)
Income tax expense		8,156	7,503
Net gain on investments		(642)	(465)
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)		125	135
Interest expense		32	33
Interest Income		(2,263)	(1,745)
Dividend Income		(1)	(11)
Unrealised foreign exchange loss / (gain)		52	(40)
		33,800	31,631
<b>Operating profit before working capital changes</b>			
<b>Net change in:</b>			
Trade receivables		680	(2,936)
Unbilled revenue		(1,539)	(51)
Loans and other financial assets		580	(798)
Other assets and inventories		(142)	(12)
Trade and other payables		(841)	(2,039)
Unearned and deferred revenue		80	262
Other financial liabilities		107	146
Other liabilities		444	484
		33,169	26,687
<b>Cash generated from operations</b>			
Taxes paid		(7,946)	(7,578)
		25,223	19,109
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Bank deposits placed		(2)	(64)
Inter-corporate deposits placed		(2,299)	(2,614)
Purchase of investments *		(1,21,423)	(1,16,847)
Payment for purchase of property, plant and equipment		(1,989)	(1,987)
Purchase of intangible assets		(1)	(3)
Earmarked deposits placed with banks		-	(462)
Proceeds from bank deposits		40	16,363
Proceeds from inter-corporate deposits		3,918	1,154
Proceeds from disposal / redemption of investments *		1,02,798	97,154
Proceeds from disposal of property, plant and equipment		36	22
Proceeds from disposal of intangible assets		1	-
Proceeds from earmarked deposits with banks		400	307
Dividend received		1	11
Interest received		1,788	1,816
		(16,732)	(5,150)
<b>Net cash used in investing activities</b>			
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowings (net)		87	(73)
Dividend paid to non-controlling interests of subsidiaries (including dividend tax)		(26)	(36)
Dividend paid (including dividend tax)		(10,947)	(9,479)
Purchase of non-controlling interests		(54)	-
Repayment of finance lease obligations		(66)	(60)
Issue of shares to non-controlling interests		-	2
Interest paid		(20)	(20)
		(11,026)	(9,666)
<b>Net cash used in financing activities</b>			
<b>Net change in cash and cash equivalents</b>		(2,535)	4,293
Cash and cash equivalents at the beginning of the year		6,295	1,862
Exchange difference on translation of foreign currency cash and cash equivalents		(163)	140
		3,597	6,295
<b>Cash and cash equivalents at the end of the year</b>	14		

\*Purchase of investments include ₹ 890 crores (March 31, 2016: ₹ 473 crores) and proceeds from disposal / redemption of investments include ₹ 726 crores (March 31, 2016: ₹ 197 crores) of TCS Foundation, formed for conducting corporate social responsibility activities of the Group.

### IV. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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As per our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP  
Chartered Accountants

N. Chandrasekaran  
Chairman

V. Ramakrishnan  
CFO

Dr. Ron Sommer  
Director

Aarthi Subramanian  
Executive Director

O. P. Bhatt  
Director

P. R. Ramesh  
Partner

Rajesh Gopinathan  
CEO and Managing Director

Ishaat Hussain  
Director

V. Thyagarajan  
Director

Prof. Clayton M Christensen  
Director

Mumbai, April 18, 2017

N. Ganpathy Subramaniam  
COO and Executive Director

Dr. Vijay Kelkar  
Director

Aman Mehta  
Director

Suprakash Mukhopadhyay  
Company Secretary

## Notes forming part of the Consolidated Financial Statements

### 1. Corporate Information

Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") provides consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of delivery centres around the globe. The Group's full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Consulting, Digital Enterprise Services, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON - Small and Medium Businesses, IT Infrastructure Services, IT Services and Platform Solutions.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai - 400001. As at March 31, 2017, Tata Sons Limited, the holding company owned 73.26% of the Company's equity share capital.

The consolidated financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on April 18, 2017.

### 2. Significant Accounting Policies

#### (a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS. In accordance with Ind AS 101- First-time Adoption of Indian Accounting Standards, the Group has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These consolidated financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

#### (b) Basis of preparation

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

CMC Limited has been amalgamated with the Company with effect from April 1, 2015 in terms of the scheme of amalgamation sanctioned by the High Court of Judicature at Bombay vide its Order dated August 14, 2015 and the High Court of Judicature at Hyderabad vide its Order dated July 20, 2015. The amalgamated companies being under common control effect of merger is given retrospectively in accordance with Ind AS 103 - Business combination.

#### (c) Basis of consolidation

The Company consolidates all entities which are controlled by it.

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

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

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

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

#### (d) Business Combinations

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

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

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

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The



## Notes forming part of the Consolidated Financial Statements

difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

### (e) Use of estimates and judgements

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

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

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

#### *Impairment of Goodwill*

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

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

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

#### *Valuation of deferred tax assets*

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

#### *Provisions and contingent liabilities*

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

### (f) Revenue recognition

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

The Group recognises revenue as follows:

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

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

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

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

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

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

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

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

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

**(h) Leases**

*Finance lease*

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

*Operating lease*

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

**(i) Cost recognition**

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

The costs of the Group are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

**(j) Foreign currency**

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

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the Balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

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

**(k) Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

*Current income taxes*

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

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

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

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

*Deferred income taxes*

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

## Notes forming part of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

### (I) Financial instruments

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

#### *Cash and cash equivalents*

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

#### *Financial assets at amortised cost*

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

#### *Financial assets at fair value through other comprehensive income*

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

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

#### *Financial assets at fair value through profit or loss*

Financial assets are measured at fair value through profit or loss unless it is 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 and loss are immediately recognised in statement of profit and loss.

#### *Financial liabilities*

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

#### *Equity instruments*

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

#### *Hedge accounting*

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

**Notes forming part of the Consolidated Financial Statements**

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, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company and its subsidiaries.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

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

The Group separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit 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 statement of profit and loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

**(m) Property, plant and equipment**

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

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

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

Assets held under finance leases are depreciated over the shorter of the lease term and their useful lives.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset are ready for its intended use.

**(n) Goodwill and intangible assets**

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

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

Intangible assets consist of acquired contract rights, rights under licensing agreement and software licences and customer-related intangibles. Following table summarises the nature of intangibles and the estimated useful lives. Intangible assets are amortised on a straight line basis over its useful lives as given below:

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

## Notes forming part of the Consolidated Financial Statements

### (o) Impairment

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

The Group assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### (ii) Non-financial assets

##### (a) Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

##### (b) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

### (p) Employee benefits

#### (i) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognised in full in other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

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

#### (ii) Defined contribution plans

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

#### (iii) Compensated absences

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

### (q) Inventories

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

### (r) Earnings per share

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

## 3. Explanation of transition to Ind AS

The transition as at April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Group in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

#### Exemptions from retrospective application:

The Group has applied the following exemptions:

#### Business combinations

The Company has elected to apply Ind AS 103 - Business Combinations retrospectively to past business combinations from April 1, 2013.



**Notes forming part of the Consolidated Financial Statements**
**Reconciliations between Previous GAAP and Ind AS**
**(i) Equity reconciliation**

		(₹ crores)	
Note	As at March 31, 2016	As at April 1, 2015	
<b>Equity under Previous GAAP attributable to:</b>			
	65,361	50,635	
	502	1,128	
	<u>65,863</u>	<u>51,763</u>	
<b>Equity under Previous GAAP</b>			
	65,863	51,467	
a	-	(296)	
	<u>65,863</u>	<u>51,467</u>	
<b>Adjusted equity under Previous GAAP</b>			
b	6,406	5,649	
c	184	168	
d	(483)	(537)	
e	(189)	(240)	
f	(167)	(167)	
g	86	10	
h	(243)	(25)	
i	(29)	(47)	
	(1)	(2)	
	<u>71,427</u>	<u>56,276</u>	
<b>Equity under Ind AS</b>			
<b>Attributable to:</b>			
	71,072	56,053	
	355	223	

**(ii) Total comprehensive income reconciliation**

		(₹ crores)
Note	Year ended March 31, 2016	
<b>Net income under Previous GAAP attributable to:</b>		
	24,292	
	83	
	<u>24,375</u>	
<b>Net income under Previous GAAP</b>		
j	114	
c	15	
d	57	
e	(15)	
g	(2)	
h	(202)	
	(4)	
	<u>24,338</u>	
<b>Profit for the year under Ind AS</b>		
<b>Other comprehensive income</b>		
	269	
	<u>24,607</u>	
<b>Attributable to:</b>		
	24,498	
	109	

## Notes forming part of the Consolidated Financial Statements

### (iii) Reconciliation of statement of cash flow

There are no material adjustments to the statement of cash flows as reported under Previous GAAP.

#### Notes to reconciliations between Previous GAAP and Ind AS

##### (a) Amalgamation of subsidiary

In the previous year, CMC Ltd., a subsidiary merged with the company effective with the terms of the Scheme of amalgamation sanctioned by High Court of judicature at Bombay vide its order dated August 14, 2015 and High Court of judicature at Hyderabad through its order dated July 20, 2015. The Company issued 1,16,99,962 equity shares of ₹ 1 each to the non-controlling shareholders of CMC Limited pursuant to the Scheme of amalgamation without payment being received in cash. The difference between the nominal value of the shares issued and the carrying value of the non-controlling interests has been recorded in retained earnings.

This has resulted in decrease in equity by ₹ 296 crores as on April 1, 2015.

##### (b) Dividend (including dividend tax)

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as a liability in the period to which it relates.

This has resulted in an increase in equity by ₹ 6,406 crores and ₹ 5,649 crores as on March 31, 2016 and April 1, 2015 respectively.

##### (c) Effect of consolidation of employee welfare trusts

Ind AS 110 – Consolidated Financial Statements defines control and establishes control as the main basis for consolidating the entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, in light of which the employee welfare trusts of the Group are consolidated. Under Previous GAAP, these were not required to be consolidated.

This has resulted in an increase in equity by ₹ 184 crores and ₹ 168 crores as at March 31, 2016 and April 1, 2015 respectively and increase in net profit by ₹ 15 crores for year ended March 31, 2016.

##### (d) Depreciation

In April 2014, the Group revised its method of depreciation from written down value to straight-line basis. This change in method was retrospectively adjusted in accordance with Previous GAAP. Under Ind AS, the Group has elected to apply Ind AS 16 - Property, plant and equipment from the date of acquisition of property, plant and equipment and accordingly as a change in estimate, the change in method has been prospectively applied.

This has resulted in a decrease in equity by ₹ 483 crores and ₹ 537 crores as on March 31, 2016 and April 1, 2015 respectively and increase in net profit by ₹ 57 crores for year ended March 31, 2016.

##### (e) Obligation to acquire non-controlling interests

The Group under Ind AS 103 - Business Combinations has recognised a liability for the present value of the redemption amount towards call option and the non-controlling interest's put option which collectively contains an obligation for the Group to acquire non-controlling interest's equity ownership. Under Previous GAAP, these were not required to be recognised.

This has resulted in a decrease in equity by ₹ 189 crores and ₹ 240 crores as on March 31, 2016 and April 1, 2015 respectively and decrease in net profit by ₹ 15 crores for year ended March 31, 2016.

##### (f) Reorganisation of entities under common control

The Group under Ind AS 103 - Business Combinations has accounted the transfer of the shareholding of Tata Sons Limited in Tata America International Corporation to Tata Consultancy Services Limited on the historical cost basis and the consideration paid in excess of carrying cost of the entity, as on the date of transfer, has been recorded as reduction to equity. Under Previous GAAP, the transfer has been accounted for on fair value basis.

This has resulted in a decrease in equity by ₹ 167 crores as on March 31, 2016 and April 1, 2015.

##### (g) Fair valuation of investments

Under previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary, under Ind AS Financial assets other than amortised cost are subsequently measured at fair value.

The Group holds investment in government securities with the objective of both collecting contractual cash flows which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

## Notes forming part of the Consolidated Financial Statements

The Group has also made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading. This has resulted in increase in investment revaluation reserve by ₹ 82 crores and ₹ 4 crores as on March 31, 2016 and April 1, 2015 respectively, and increase in other comprehensive income by ₹ 51 crores for year ended March 31, 2016.

Investment in mutual funds have been classified as fair value through profit and loss and fair value changes are recognised in profit or loss. This has resulted in increase in retained earnings of ₹ 4 crores and ₹ 6 crores as on March 31, 2016 and April 1, 2015 respectively, and decrease in net profit by ₹ 2 crores for year ended March 31, 2016.

### (h) Tax adjustments including deferred tax on undistributed earnings

Under Previous GAAP, in the consolidated financial statements, the tax expense of the parents and group companies were added line-by-line and no adjustments were made / additional deferred taxes recognised or reversed on consolidation. Under Ind AS, deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the Balance sheet and tax base. Consequently deferred tax on account of undistributed profits of the subsidiaries has been recognised in statement of profit and loss. Further tax adjustments are also made for deferred tax impact on account of differences between Previous GAAP and Ind AS.

These adjustments have resulted in decrease in equity under Ind AS by ₹ 243 crores and ₹ 25 crores as on March 31, 2016 and April 1, 2015 respectively and decrease in net profit by ₹ 202 crores for year ended March 31, 2016.

### (i) Impact of retrospective application of Ind AS 103 to past business combinations

Under Previous GAAP, the business combination was accounted at the book value. Under Ind AS 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.

This has resulted in decrease in equity by ₹ 29 crores and ₹ 47 crores as on March 31, 2016 and April 1, 2015 respectively.

### (j) Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods.

This has resulted in increase in net profit by ₹ 114 crores for year ended March 31, 2016. However the same does not result in difference in equity or total comprehensive income.

## 4. Property, plant and equipment

Property, plant and equipment consist of the following:

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

## Notes forming part of the Consolidated Financial Statements

(₹ crores)

Description	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipments	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2015	347	4,831	1,675	129	5,074	28	1,762	1,295	1,257	16,398
Additions	-	1,285	186	193	655	8	245	335	194	3,101
Disposals	-	(1)	(38)	-	(168)	(4)	(17)	(12)	(20)	(260)
Translation exchange difference	1	4	17	-	30	-	14	2	1	69
<b>Cost as at March 31, 2016</b>	<b>348</b>	<b>6,119</b>	<b>1,840</b>	<b>322</b>	<b>5,591</b>	<b>32</b>	<b>2,004</b>	<b>1,620</b>	<b>1,432</b>	<b>19,308</b>
Accumulated depreciation as at April 1, 2015	-	(855)	(802)	(18)	(3,542)	(21)	(1,042)	(603)	(874)	(7,757)
Depreciation for the year	-	(283)	(200)	(22)	(767)	(4)	(252)	(134)	(129)	(1,791)
Disposals	-	-	29	-	168	4	17	7	18	243
Translation exchange difference	-	(1)	(4)	-	(14)	-	(7)	(2)	(4)	(32)
<b>Accumulated depreciation as at March 31, 2016</b>	<b>-</b>	<b>(1,139)</b>	<b>(977)</b>	<b>(40)</b>	<b>(4,155)</b>	<b>(21)</b>	<b>(1,284)</b>	<b>(732)</b>	<b>(989)</b>	<b>(9,337)</b>
<b>Net carrying amount as at March 31, 2016</b>	<b>348</b>	<b>4,980</b>	<b>863</b>	<b>282</b>	<b>1,436</b>	<b>11</b>	<b>720</b>	<b>888</b>	<b>443</b>	<b>9,971</b>
<b>Net carrying amount as at April 1, 2015</b>	<b>347</b>	<b>3,976</b>	<b>873</b>	<b>111</b>	<b>1,532</b>	<b>7</b>	<b>720</b>	<b>692</b>	<b>383</b>	<b>8,641</b>

- (i) Buildings include ₹ 3 crores (March 31, 2016: ₹ 3 crores, April 1, 2015: ₹ 3 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- (ii) Legal formalities relating to conveyance of buildings having net book value ₹ NIL (March 31, 2016: ₹ -\* crores, April 1, 2015: ₹ 5 crores) are pending completion.

\*Amounts less than ₹ 0.50 crore.

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

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Leasehold improvements	40	46	56
Computer equipment	16	45	79
Office equipments	2	1	3
Furniture and fixtures	2	-	-
Electrical installations	-	2	3
<b>Leased assets</b>	<b>60</b>	<b>94</b>	<b>141</b>

Notes forming part of the Consolidated Financial Statements

5. Intangible assets

Intangible assets consist of the following:

(₹ crores)

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

(₹ crores)

Description	Rights under licensing agreement and software licence			Total
	Acquired contract rights		Customer-related intangibles	
Cost as at April 1, 2015	364	141	80	585
Additions	-	3	-	3
Translation exchange difference	15	-	6	21
<b>Cost as at March 31, 2016</b>	<b>379</b>	<b>144</b>	<b>86</b>	<b>609</b>
Accumulated amortisation as at April 1, 2015	(208)	(106)	(51)	(365)
Amortisation for the year	(66)	(10)	(21)	(97)
Translation exchange difference	(7)	-	(6)	(13)
<b>Accumulated amortisation as at March 31, 2016</b>	<b>(281)</b>	<b>(116)</b>	<b>(78)</b>	<b>(475)</b>
<b>Net carrying amount as at March 31, 2016</b>	<b>98</b>	<b>28</b>	<b>8</b>	<b>134</b>
<b>Net carrying amount as at April 1, 2015</b>	<b>156</b>	<b>35</b>	<b>29</b>	<b>220</b>

The estimated amortisation for each of the three fiscal years subsequent to March 31, 2017 is as follows:

(₹ crores)

Year ending March 31,	Amortisation expense
2018	36
2019	7
2020	4
	<b>47</b>



## Notes forming part of the Consolidated Financial Statements

### 6. Goodwill

Goodwill consists of the following:

	(₹ crores)	
	As at March 31, 2017	As at March 31, 2016
<b>Balance at the beginning of the year</b>	1,669	1,572
Foreign currency exchange loss	(72)	97
<b>Balance at the end of the year</b>	<u>1,597</u>	<u>1,669</u>

Goodwill of ₹ 531 crores (March 31, 2016: ₹ 577 crores) has been allocated to the TCS business in France. The estimated value-in-use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 8.01%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of ₹ 1,066 crores (March 31, 2016: ₹ 1,092 crores) (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

### 7. Investments

Investments consist of the following:

#### (A) Investments - Non-Current

	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(a) Investments carried at fair value through profit or loss</b>			
Mutual and other funds (unquoted)	55	58	7
<b>(b) Investments carried at fair value through OCI</b>			
Fully paid equity shares (quoted)	-	-	4
Fully paid equity shares (unquoted)	141	169	162
<b>(c) Investments carried at amortised cost</b>			
Government securities (quoted)	132	101	55
Corporate debentures and bonds (unquoted)	16	15	25
	<u>344</u>	<u>343</u>	<u>253</u>

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

#### (B) Investments - Current

	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(a) Investment carried at fair value through profit or loss</b>			
Mutual and other funds (unquoted)	19,637	1,709	1,501
<b>(b) Investment carried at fair value through OCI</b>			
Government securities (quoted)	21,999	20,254	-
<b>(c) Investment carried at amortised cost</b>			
Certificate of deposits (unquoted)	-	491	-
Corporate debentures and bonds (unquoted)	-	25	-
	<u>41,636</u>	<u>22,479</u>	<u>1,501</u>

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

**Notes forming part of the Consolidated Financial Statements**
**8. Loans**

Loans (unsecured) consist of the following:

**(A) Long-term loans**

	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Considered good			
(i) Loans and advances to employees	6	7	9
(ii) Inter-corporate deposits	3	2,465	1,572
	<u>9</u>	<u>2,472</u>	<u>1,581</u>

**(B) Short-term loans**

	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Considered good			
(i) Loans and advances to employees	344	1,021	336
(ii) Inter-corporate deposits	2,565	1,721	1,154
(iii) Others	-	1	3
(b) Considered doubtful			
(i) Loans and advances to employees	57	56	51
Less: Allowance for loans and advances to employees	(57)	(56)	(51)
	<u>2,909</u>	<u>2,743</u>	<u>1,493</u>

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

**9. Other financial assets**

Other financial assets consist of the following:

**(A) Non-current financial assets**

	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Interest receivable	-	73	24
(b) Long-term bank deposits	-	415	500
(c) Security deposits	816	733	668
(d) Earmarked balances with banks	1	86	-
(e) Others	8	18	42
	<u>825</u>	<u>1,325</u>	<u>1,234</u>

**(B) Current financial assets**

	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Interest receivable	715	206	342
(b) Fair value of foreign exchange forward and currency option contracts	572	537	365
(c) Security deposits	147	143	127
(d) Others	40	30	75
	<u>1,474</u>	<u>916</u>	<u>909</u>

## Notes forming part of the Consolidated Financial Statements

### 10. Income taxes

The income tax expense consists of the following:

	(₹ crores)	
	2017	2016
<b>Current tax:</b>		
Current tax expense for current year	8,341	7,489
Current tax (benefit) / expense pertaining to prior years	(106)	19
	<u>8,235</u>	<u>7,508</u>
Deferred tax benefit	(79)	(6)
<b>Total income tax expense recognised in current year</b>	<u><u>8,156</u></u>	<u><u>7,502</u></u>

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

	(₹ crores)	
	2017	2016
Profit before income taxes	34,513	31,840
Indian statutory income tax rate	34.61%	34.61%
Expected income tax expense	11,945	11,020
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Tax holidays	(4,175)	(4,477)
Income exempt from tax	(167)	(97)
Undistributed earnings in branches and subsidiaries	195	410
Tax on income at different rates	101	235
Tax pertaining to prior years	(174)	25
Others (net)	431	386
<b>Total income tax expense</b>	<u><u>8,156</u></u>	<u><u>7,502</u></u>

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

**Notes forming part of the Consolidated Financial Statements**

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

(₹ crores)

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

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

(₹ crores)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Acquisitions / disposals	Exchange difference	Closing balance
<b>Deferred tax assets / (liabilities) in relation to:</b>						
Property, plant and equipment and intangible assets	(100)	39	-	-	(1)	(62)
Provision for employee benefits	294	21	8	-	4	327
Cash flow hedges	(20)	-	13	-	-	(7)
Receivables, financial assets at amortised cost	158	31	-	-	1	190
MAT credit entitlement	1,905	82	-	-	-	1,987
Unrealised gain on securities carried at fair value through statement of profit and loss / other comprehensive income	(3)	2	(27)	-	-	(28)
Undistributed earnings of subsidiaries	(160)	(182)	-	-	-	(342)
Branch profit tax	(256)	(90)	-	-	-	(346)
Operating lease liabilities	83	10	-	-	1	94
Others	192	93	(2)	-	7	290
<b>Net deferred tax assets / (liabilities)</b>	<b>2,093</b>	<b>6</b>	<b>(8)</b>	<b>-</b>	<b>12</b>	<b>2,103</b>

## Notes forming part of the Consolidated Financial Statements

Gross deferred tax assets and liabilities are as follows:

(₹ crores)

### As at March 31, 2017

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

Property, plant and equipment and Intangible assets	(8)	98	(106)
Provision for employee benefits	389	-	389
Cash flow hedges	(12)	-	(12)
Receivables, financial assets at amortised cost	218	(2)	220
MAT credit entitlement	2,084	-	2,084
Unrealised gain on securities carried at fair value through statement of profit and loss / other comprehensive income	(285)	-	(285)
Undistributed earnings of subsidiaries	-	509	(509)
Branch profit tax	-	286	(286)
Operating lease liabilities	90	-	90
Others	352	28	324

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

2,828      919      1,909

(₹ crores)

### As at March 31, 2016

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

Property, plant and equipment and Intangible assets	40	102	(62)
Provision for employee benefits	327	-	327
Cash flow hedges	(7)	-	(7)
Receivables, financial assets at amortised cost	190	-	190
MAT credit entitlement	1,987	-	1,987
Unrealised gain on securities carried at fair value through statement of profit and loss / other comprehensive income	(28)	-	(28)
Undistributed earnings of subsidiaries	-	342	(342)
Branch profit tax	-	346	(346)
Operating lease liabilities	94	-	94
Others	305	15	290

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

2,908      805      2,103

(₹ crores)

### As at April 1, 2015

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

Property, plant and equipment and Intangible assets	29	129	(100)
Provision for employee benefits	294	-	294
Cash flow hedges	(20)	-	(20)
Receivables, financial assets at amortised cost	158	-	158
MAT credit entitlement	1,905	-	1,905
Unrealised gain on securities carried at fair value through statement of profit and loss / other comprehensive income	(3)	-	(3)
Undistributed earnings of subsidiaries	-	160	(160)
Branch profit tax	-	256	(256)
Operating lease liabilities	83	-	83
Others	187	(5)	192

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

2,633      540      2,093



## Notes forming part of the Consolidated Financial Statements

Under the Indian Income Tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate. In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlement. These unexpired business losses will expire based on the year of origination as follows:

	(₹ crores)
<b>March 31,</b>	<b>Unabsorbed business losses</b>
2018	15
2019	21
2020	32
2021	73
2022	51
Thereafter	298
	490

Under the Indian Income Tax Act, 1961, Tata Consultancy Services Limited is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. Accordingly, Tata Consultancy Services Limited has recognised a deferred tax asset of ₹ 2,084 crores and has not recognised deferred tax assets in respect of tax credit entitlement amounting to ₹ 1,108 crores as at March 31, 2017.

Deferred tax liability on undistributed earnings of ₹ 6,246 crores of certain subsidiaries has not been recognised, as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

Tata Consultancy Services Limited and its subsidiaries in India have ongoing disputes with Indian Income Tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company and its subsidiaries in India as deductions, and computation of, or eligibility of, certain tax incentives or allowances. As at March 31, 2017, the Company and its subsidiaries in India have contingent liability in respect of demands from direct tax authorities in India, which are being contested by the Company and its subsidiaries in India on appeal amounting ₹ 2,690 crores. In respect of tax contingencies of ₹ 318 crores, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2014 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2013 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2014 and earlier.

### 11. Other assets

Other assets consist of the following:

#### (A) Other non-current assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Considered good			
(i) Capital advances	143	149	169
(ii) Advances to related parties	6	-	-
(iii) Prepaid expenses	281	448	534
(iv) Prepaid rent	228	235	241
(v) Others	31	94	131
	689	926	1,075
Advances to related parties, considered good, comprise:			
Voltas Limited	6	-	-

## Notes forming part of the Consolidated Financial Statements

### (B) Other current assets

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Considered good			
(i) Prepaid expenses	1,508	1,376	1,512
(ii) Advance to suppliers	188	240	110
(iii) Advance to related parties	1	1	-
(iv) Indirect tax recoverable	488	340	309
(v) Other advances	28	93	56
(vi) Others	63	124	96
(b) Considered doubtful			
(i) Advance to suppliers	3	3	5
(ii) Indirect tax recoverable	2	2	2
(iii) Other advances	3	4	3
Less: Allowance on doubtful assets	(8)	(9)	(10)
	<u>2,276</u>	<u>2,174</u>	<u>2,083</u>
Advance to related parties, considered good comprise:			
Taj Air Limited	-	1	-
The Titan Company Limited	1	-	-

### 12. Inventories

Inventories consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Raw materials, sub-assemblies and components	19	9	10
(b) Finished goods and work-in-progress	1	-	2
(c) Goods-in-transit (raw materials)	1	-	2
(d) Stores and spares	-	7	1
	<u>21</u>	<u>16</u>	<u>15</u>

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

### 13. Trade receivables

Trade receivables (unsecured) consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Considered good	22,684	24,073	20,440
(b) Considered doubtful	643	574	448
	<u>23,327</u>	<u>24,647</u>	<u>20,888</u>
Less: Allowance for doubtful trade receivables	(643)	(574)	(448)
	<u>22,684</u>	<u>24,073</u>	<u>20,440</u>

In determining the allowances for doubtful trade receivables the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

**Notes forming part of the Consolidated Financial Statements**
**14. Cash and cash equivalents**

Cash and cash equivalents consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Balances with banks			
In current accounts	3,077	2,159	1,443
In deposit accounts	466	2,881	353
(b) Cheques on hand	6	25	51
(c) Cash on hand	1	1	1
(d) Remittances in transit	47	1,229	14
	<u>3,597</u>	<u>6,295</u>	<u>1,862</u>

**Specified bank notes disclosure (SBNs)**

In accordance with MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

(₹)

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 8, 2016	4,11,000	3,12,694	7,23,694
(+) Permitted receipts	2,89,000	3,59,136	6,48,136
(-) Permitted payments	-	3,68,707	3,68,707
(-) Amounts Deposited in Banks	7,00,000	1,66,506	8,66,506
Closing cash on hand as on December 30, 2016	<u>-</u>	<u>1,36,617</u>	<u>1,36,617</u>

**15. Other balances with banks**

Other balances with banks consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Earmarked balances with banks	122	440	313
(b) Short-term bank deposits	430	53	16,383
	<u>552</u>	<u>493</u>	<u>16,696</u>

Earmarked balances with banks significantly pertain to unclaimed dividends and margin money for derivative contracts.

## Notes forming part of the Consolidated Financial Statements

### 16. Share Capital

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares and redeemable preference shares having a par value of ₹ 1 each as follows:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Authorised</b>			
(a) 460,05,00,000 equity shares of ₹ 1 each (March 31, 2016: 460,05,00,000 equity shares of ₹ 1 each) (April 1, 2015: 420,05,00,000 equity shares of ₹ 1 each)	460	460	420
(b) 105,02,50,000 preference shares of ₹ 1 each (March 31, 2016: 105,02,50,000 preference shares of ₹ 1 each) (April 1, 2015: 105,02,50,000 preference shares of ₹ 1 each)	105	105	105
	<u>565</u>	<u>565</u>	<u>525</u>
<b>Issued, Subscribed and Fully paid-up</b>			
(a) 197,04,27,941 equity shares of ₹ 1 each (March 31, 2016: 197,04,27,941 equity shares of ₹ 1 each) (April 1, 2015: 195,87,27,979 equity shares of ₹ 1 each)	197	197	196
(b) Potential equity shares to be issued to non-controlling shareholders of CMC Limited	-	-	1
	<u>197</u>	<u>197</u>	<u>197</u>

The authorised equity share capital was increased to 460,05,00,000 equity shares of ₹ 1 each pursuant to the amalgamation of its subsidiaries, WTI Advanced Technology Limited vide the order dated March 27, 2015 of the High Court of Judicature of Bombay and CMC Limited, vide the order dated August 14, 2015 of the High Court of Judicature at Bombay and vide the order dated July 20, 2015 of the High Court of Judicature at Hyderabad.

The Board of Directors of the Company, at its meeting held on February 20, 2017 has approved a proposal to buy-back up to 5,61,40,351 equity shares (Five crore sixty one lakh forty thousand three hundred and fifty one only) of the Company for an aggregate amount not exceeding ₹ 16,000 crore, being 2.85% of the total paid up equity share capital at ₹ 2,850 per Equity Share. The shareholders of the Company have approved the scheme of buy-back of shares through postal ballot on April 17, 2017.

#### (a) Reconciliation of number of shares

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount (₹ crores)	Number of shares	Amount (₹ crores)
<b>Equity shares</b>				
Opening balance	197,04,27,941	197	195,87,27,979	196
Issued during the year	-	-	1,16,99,962	1
Closing balance	<u>197,04,27,941</u>	<u>197</u>	<u>197,04,27,941</u>	<u>197</u>

#### (b) Rights, preferences and restrictions attached to shares

##### Equity shares

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

**Notes forming part of the Consolidated Financial Statements**
**(c) Shares held by Holding Company, its subsidiaries and associates**

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity shares</b>			
<b>Holding Company</b>			
144,34,51,698 equity shares (March 31, 2016: 144,34,51,698 equity shares; April 1, 2015: 144,34,51,698 equity shares) are held by Tata Sons Limited	144	144	144
<b>Subsidiaries and associates of Holding Company</b>			
3,700 equity shares (March 31, 2016: 3,63,700 equity shares; April 1, 2015: 10,29,700 equity shares) are held by Tata Industries Limited*	-	-	-
8,57,301 equity shares (March 31, 2016: 9,55,273 equity shares; April 1, 2015: Nil equity shares) are held by Tata AIA Life Insurance Company Limited *	-	-	-
5,50,000 equity shares (March 31, 2016: 5,90,452 equity shares; April 1, 2015: 5,90,452 equity shares) are held by Tata Investment Corporation Limited *	-	-	-
Nil equity shares (March 31, 2016: Nil equity shares; April 1, 2015: 200 equity shares) are held by Tata Capital Limited *	-	-	-
Nil equity shares (March 31, 2016: 83,232 equity shares; April 1, 2015: 83,232 equity shares) are held by Tata International Limited *	-	-	-
24,400 equity shares (March 31, 2016: 24,400 equity shares; April 1, 2015: 24,400 equity shares) are held by Tata Steel Limited *	-	-	-
452 equity shares (March 31, 2016: 452 equity shares; April 1, 2015: 452 equity shares) are held by The Tata Power Company Limited *	-	-	-
4,84,902 equity shares (March 31, 2015: 6,11,352 equity shares; April 1, 2015: 6,33,352 shares) are held by AF-taab Investment Company Limited*	-	-	-
<b>Total</b>	<b>144</b>	<b>144</b>	<b>144</b>

\* Equity shares having value less than ₹ 0.50 crore

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity shares</b>			
Tata Sons Limited, the Holding Company	144,34,51,698	144,34,51,698	144,34,51,698
	73.26%	73.26%	73.69%

**(e) Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2017) including equity shares issued pursuant to contract without payment being received in cash**

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

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

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

## Notes forming part of the Consolidated Financial Statements

### 17. (A) Other equity

Other equity consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016
(a) Capital reserve (on consolidation)	75	75
(b) Securities premium reserve	1,919	1,919
(c) Capital redemption reserve		
(i) Opening balance	523	413
(ii) Transfer from retained earnings*	-	110
	523	523
(d) General reserve		
(i) Opening balance	10,549	8,245
(ii) Transfer from retained earnings	-	2,304
	10,549	10,549
(e) Special Economic Zone re-investment reserve		
(i) Opening balance	-	-
(ii) Transfer from retained earnings	376	-
(iii) Transfer to retained earnings on utilisation	(279)	-
	97	-
(f) Retained earnings		
(i) Opening balance	56,113	43,904
(ii) Profit for the year	26,289	24,270
(iii) Remeasurement of defined employee benefit plans (net of taxes)	(206)	(108)
(iv) Purchase of non-controlling interests **	(28)	-
(v) Realised (losses) / gains on equity shares carried at fair value through OCI	(20)	5
(vi) Transfer from Special Economic Zone re-investment reserve on utilisation	279	-
	82,427	68,071
(vii) Less: Appropriations		
(a) Dividend on equity shares	9,162	7,993
(b) Tax on dividend	1,785	1,486
(c) Transfer to capital redemption reserve*	-	110
(d) Transfer to general reserve	-	2,304
(e) Transfer to Special Economic Zone re-investment reserve	376	-
(f) Transfer to statutory reserve	33	65
	71,071	56,113
(g) Statutory reserve		
(i) Opening balance	185	120
(ii) Transfer from retained earnings	33	65
	218	185



**Notes forming part of the Consolidated Financial Statements**

(₹ crores)

	As at March 31, 2017	As at March 31, 2016
(h) Investment revaluation reserve (Refer note 17(B))		
(i) Opening balance	54	3
(ii) Addition during the year (net)	484	51
	<u>538</u>	<u>54</u>
(i) Cash flow hedging reserve (Refer note 28(b))		
(i) Opening balance	49	130
(ii) Addition / (deduction) during the year (net)	39	(81)
	<u>88</u>	<u>49</u>
(j) Foreign currency translation reserve		
(i) Opening balance	1,408	1,047
(ii) (Deduction) / addition during the year (net)	(469)	361
	<u>939</u>	<u>1,408</u>
	<u>86,017</u>	<u>70,875</u>

\* On June 25, 2015, Diligenta Limited, a wholly owned subsidiary redeemed 1,10,00,000 redeemable preference shares of GBP 1 each. Accordingly an amount of ₹ 110 crores has been transferred to capital redemption reserve during the year.

\*\* Purchase of non-controlling interests in Tata Consultancy Services (South Africa) (Propriety) Limited and Tata Consultancy Services (China) Co., Ltd .

**(B) Other components of equity**

Other components of equity consist of the following:

**(a) Investment revaluation reserve**

(₹ crores)

	As at March 31, 2017	As at March 31, 2016
<b>Balance at the beginning of the year</b>	54	3
Net gain / (loss) arising on revaluation of financial assets carried at fair value	(20)	1
Deferred tax relating to net gain / (loss) arising on revaluation of financial assets carried at fair value	-	(1)
Net cumulative loss / (gain) reclassified to retained earnings on sale of financial assets carried at fair value	20	(5)
Deferred tax relating to net cumulative gain reclassified to statement of profit and loss on sale of financial assets carried at fair value	-	2
Net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	740	138
Deferred tax relating to net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(256)	(48)
Transfer of net realised gain to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	-	(56)
Deferred tax relating to transfer of net realised gain / (loss) to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	-	20
<b>Balance at the end of the year</b>	<u>538</u>	<u>54</u>

## Notes forming part of the Consolidated Financial Statements

### Nature of reserves

#### (a) Capital reserve

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

#### (b) Securities premium

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

#### (c) General reserve

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

#### (d) Investment revaluation reserve

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

#### (e) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non-financial hedged item.

## 18. Borrowings

Borrowings consist of the following:

### (A) Long-term borrowings

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Secured loans			
Long-term maturities of obligations under finance lease	71	83	114
(b) Unsecured loans			
Borrowings from entity other than banks	-	-	1
	<u>71</u>	<u>83</u>	<u>115</u>

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

### (B) Short-term borrowings

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Secured loans			
Overdraft from banks	-	112	-
(b) Unsecured loans			
Overdraft from bank	200	1	186
	<u>200</u>	<u>113</u>	<u>186</u>

Secured overdrafts from banks are secured against trade receivables.

**Notes forming part of the Consolidated Financial Statements**
**19. Other financial liabilities**

Other financial liabilities consist of the following:

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

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Capital creditors	17	62	68
(b) Others	437	431	594
	<u>454</u>	<u>493</u>	<u>662</u>

Other payables include advance taxes paid of ₹ 227 crores (March 31, 2016: ₹ 230 crores) (April 01, 2015: ₹ 333 crores) by the seller of TCS e-serve Limited which, on refund by the tax authorities, is payable to the seller.

**(B) Other current financial liabilities**

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Current maturities of obligations under finance lease	18	49	57
(b) Unclaimed dividends	25	21	20
(c) Fair value of foreign exchange forward and currency option contracts	20	152	20
(d) Capital creditors	287	331	337
(e) Liabilities for cost related to customer contracts	1,001	882	728
(f) Liabilities for purchase of government securities	-	805	-
(g) Others	199	124	83
	<u>1,550</u>	<u>2,364</u>	<u>1,245</u>

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

**20. Provisions**

Provisions consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(A) Non-current</b>			
Provision for foreseeable loss on a long-term contract	39	40	94
	<u>39</u>	<u>40</u>	<u>94</u>
<b>(B) Current</b>			
Provision for foreseeable loss on a long-term contract	66	115	103
	<u>66</u>	<u>115</u>	<u>103</u>

## Notes forming part of the Consolidated Financial Statements

### 21. Other liabilities

Other liabilities consist of the following:

#### (A) Other non-current liabilities

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Operating lease liabilities	387	379	345
(b) Others	45	63	59
	<u>432</u>	<u>442</u>	<u>404</u>

#### (B) Other current liabilities

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Advance received from customers	330	164	131
(b) Indirect tax payable and other statutory liabilities	1,301	1,381	1,146
(c) Operating lease liabilities	74	80	57
(d) Others	40	12	8
	<u>1,745</u>	<u>1,637</u>	<u>1,342</u>

### 22. Other income (net)

Other income (net) consist of the following:

(₹ crores)

	2017	2016
(a) Interest income	2,263	1,745
(b) Dividend income	1	11
(c) Net gain on investments carried at fair value through profit or loss	633	409
(d) Net gain on disposal of investments carried at amortised cost	9	-
(e) Net gain on disposal of investments other than equity shares carried at fair value through OCI	-	56
(f) Net gain on disposal of property, plant and equipment	3	5
(g) Net foreign exchange gains	1,240	742
(h) Rent income	17	25
(i) Miscellaneous income	55	91
	<u>4,221</u>	<u>3,084</u>
<b>Interest income comprise:</b>		
Interest on bank deposits	116	1,459
Interest income on financial assets carried at amortised cost	412	248
Interest income on financial assets carried at fair value through OCI	1,598	32
Others	137	6
<b>Net foreign exchange gains include:</b>		
Net gain on foreign exchange forward and currency option contracts transferred from cash flow hedging reserve (Refer note 28(b))	508	5
<b>Dividend income comprise:</b>		
From investments (mutual funds)	1	11

**Notes forming part of the Consolidated Financial Statements**
**23. Employee benefit expenses**

Employee benefit expenses consist of the following:

	(₹ crores)	
	2017	2016
(a) Salaries, incentives and allowances	55,537	49,902
(b) Contributions to provident and other funds	4,189	3,939
(c) Staff welfare expenses	1,895	1,507
	<u>61,621</u>	<u>55,348</u>

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

	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Gratuity liability	4	3	22
(b) Foreign defined benefit plans	159	169	140
(c) Other employee benefit obligations	82	65	41
	<u>245</u>	<u>237</u>	<u>203</u>

**(B) Current employee benefit obligations**

	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Compensated absences	1,834	1,614	1,340
(b) Other employee benefit obligations	28	21	16
	<u>1,862</u>	<u>1,635</u>	<u>1,356</u>

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

In accordance with Indian law, Tata Consultancy Services Limited and its subsidiaries in India provide to the eligible employees defined benefit plans such as gratuity and pension plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

## Notes forming part of the Consolidated Financial Statements

The following tables set out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

(₹ crores)

	Year ended March 31, 2017					Year ended March 31, 2016				
	Domestic plans	Domestic plans	Foreign plans	Foreign plans	Total	Domestic plans	Domestic plans	Foreign plans	Foreign plans	Total
	Funded	Unfunded	Funded	Unfunded		Funded	Unfunded	Funded	Unfunded	
<b>Change in benefit obligations:</b>										
Benefit obligations, beginning of the year	1,633	3	744	67	2,447	1,295	2	686	53	2,036
Exchange (gain) / loss on translation	-	-	(49)	(5)	(54)	-	-	53	3	56
Plan participants' contribution	-	-	8	-	8	-	-	6	-	6
Service cost	241	1	12	21	275	202	-	24	12	238
Interest cost	138	-	10	3	151	105	-	14	2	121
Remeasurement of the net defined benefit liability	200	-	58	(3)	255	149	1	(16)	-	134
Past service cost / (credit)	-	-	(9)	-	(9)	13	-	-	(2)	11
Benefits paid	(128)	-	(17)	(2)	(147)	(131)	-	(23)	(1)	(155)
Adjustment on plan settlement	-	-	(220)	-	(220)	-	-	-	-	-
<b>Benefit obligations, end of the year</b>	<b>2,084</b>	<b>4</b>	<b>537</b>	<b>81</b>	<b>2,706</b>	<b>1,633</b>	<b>3</b>	<b>744</b>	<b>67</b>	<b>2,447</b>

(₹ crores)

	Year ended March 31, 2017					Year ended March 31, 2016				
	Domestic plans	Domestic plans	Foreign plans	Foreign plans	Total	Domestic plans	Domestic plans	Foreign plans	Foreign plans	Total
	Funded	Unfunded	Funded	Unfunded		Funded	Unfunded	Funded	Unfunded	
<b>Change in plan assets:</b>										
Fair value of plan assets, beginning of the year	1,747	-	731	-	2,478	1,453	-	669	-	2,122
Exchange (loss) / gain on translation	-	-	(42)	-	(42)	-	-	53	-	53
Interest income	145	-	8	-	153	116	-	17	-	133
Employers' contributions	393	-	15	-	408	282	-	28	-	310
Plan participants' contribution	-	-	8	-	8	-	-	6	-	6
Benefits paid	(128)	-	(17)	-	(145)	(131)	-	(23)	-	(154)
Remeasurement - return on plan assets excluding amount included in interest income	-	-	47	-	47	27	-	(19)	-	8
Adjustment on plan settlement*	-	-	(289)	-	(289)	-	-	-	-	-
<b>Fair value of plan assets, end of the year</b>	<b>2,157</b>	<b>-</b>	<b>461</b>	<b>-</b>	<b>2,618</b>	<b>1,747</b>	<b>-</b>	<b>731</b>	<b>-</b>	<b>2,478</b>

\* includes of ₹ 69 crores in respect of fair value of plan assets not recognised in the Balance sheet in the previous year due to asset ceiling.





## Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

	Year ended March 31, 2017					Year ended March 31, 2016				
	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	241	1	12	21	275	202	-	24	12	238
Net interest on net defined benefit (asset) / liability	(7)	-	2	3	(2)	(11)	-	(3)	2	(12)
Past service (credit) / cost	-	-	(9)	-	(9)	13	-	-	(2)	11
<b>Net periodic gratuity / pension cost</b>	<b>234</b>	<b>1</b>	<b>5</b>	<b>24</b>	<b>264</b>	<b>204</b>	<b>-</b>	<b>21</b>	<b>12</b>	<b>237</b>
<b>Actual return on plan assets</b>	<b>145</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>200</b>	<b>143</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>141</b>

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

(₹ crores)

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

(₹ crores)

	Year ended March 31, 2016				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	13	-	(11)	(1)	1
Actuarial (gains) and losses arising from changes in financial assumptions	60	1	(1)	-	60
Actuarial (gains) and losses arising from changes in experience adjustments	76	-	(4)	1	73
<b>Remeasurement of the net defined benefit liability</b>	<b>149</b>	<b>1</b>	<b>(16)</b>	<b>-</b>	<b>134</b>
Remeasurement of return on plan assets excluding amount included in interest income	(27)	-	19	-	(8)
Asset ceiling recognised in OCI	-	-	(12)	-	(12)
<b>Total</b>	<b>122</b>	<b>1</b>	<b>(9)</b>	<b>-</b>	<b>114</b>

## Notes forming part of the Consolidated Financial Statements

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

	Year ended March 31, 2017		Year ended March 31, 2016		Year ended April 1, 2015	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	6.75%-7.25%	0.60%-7.75%	7.50%-7.75%	0.40%-7.13%	8.00%	0.87%-6.75%
Rate of increase in compensation levels of covered employees	6.00%-8.00%	1.25%-4.64%	6.00%-10.00%	1.25%-4.64%	6.00%-7.00%	1.00%-4.64%
Rate of return on plan assets	6.75%-7.25%	0.60%-7.75%	7.50%-7.75%	0.40%-7.13%	8.00%	0.87%-6.75%
Weighted average duration of defined benefit obligations	4-10 years	15-29 years	4-10 years	11-29 years	9 years	12-31 years

The expected benefits are based on the same assumptions as are used to measure Group's defined benefit plan obligations as at March 31, 2017. The Group is expected to contribute ₹ 201 crores to defined benefit plan obligations funds for the year ended March 31, 2018 comprising domestic component of ₹ 190 crores and foreign component of ₹ 11 crores.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.50%, the defined benefit obligations would decrease by ₹ 128 crores (increase by ₹ 142 crores) as at March 31, 2017.

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by ₹ 85 crores (decrease by ₹ 81 crores) as at March 31, 2017.

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

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

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

The defined benefit obligations shall mature after year ended March 31, 2017 as follows:

Year ending March 31,	(₹ crores)
	<b>Defined benefit obligations</b>
2018	220
2019	208
2020	214
2021	215
2022	210
Thereafter	986

### Defined contribution plans

#### *Superannuation*

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

The Group contributed ₹ 265 crores and ₹ 249 crores to the Employees' Superannuation Fund for the year ended March 31, 2017 and March 31, 2016 respectively.

## Notes forming part of the Consolidated Financial Statements

### Provident fund

In accordance with Indian law, all eligible employees of Tata Consultancy Services Limited and its subsidiaries are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. Tata Consultancy Services Limited and its subsidiaries in India contribute as specified under the law to the Provident Fund where set up as a trust and to the respective Regional Provident Fund Commissioner. Tata Consultancy Services Limited and its subsidiaries in India which contributes to the Provident Fund where set up as a trust are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contributions and shortfall, if any, as an expense in the year incurred. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

The Group contributed ₹ 804 crores and ₹ 680 crores to the provident fund for the year ended March 31, 2017 and March 31, 2016, respectively.

### Foreign defined contribution plan

The Group contributed ₹ 826 crores and ₹ 817 crores for the year ended March 31, 2017 and March 31, 2016, respectively, towards foreign defined contribution plan.

## 24. Other operating expenses

Other operating expenses consist of the following:

	(₹ crores)	
	2017	2016
(a) Fees to external consultants	8,854	8,412
(b) Facility running expenses	3,685	3,406
(c) Cost of equipment and software licences	2,808	2,571
(d) Travel expenses	2,786	2,664
(e) Communication expenses	1,067	1,107
(f) Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	125	135
(g) Other expenses	4,709	4,326
	<u>24,034</u>	<u>22,621</u>

Research and development expenditure aggregating ₹ 282 crores and ₹ 237 crores in the year ended March 31, 2017 and March 31, 2016, including capital expenditure was incurred during the year.

## 25. Finance costs (at effective interest rate)

Finance costs consist of the following:

	(₹ crores)	
	2017	2016
Interest expense	32	33
	<u>32</u>	<u>33</u>

## 26. Earnings Per Share (EPS)

	2017	2016
Profit for the year (₹ crores)	26,289	24,270
Weighted average number equity shares	197,04,27,941	197,04,27,941
Earnings per share basic and diluted (₹)	133.41	123.18
Face value per equity share (₹)	1	1

**Notes forming part of the Consolidated Financial Statements**
**27. Leases**

The Group has taken on lease property and equipment under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were ₹ 1,818 crores and ₹ 1,697 crores for the year ended March 31, 2017 and March 31, 2016, respectively.

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

(₹ crores)

Operating lease	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due within one year of Balance sheet date	833	733	764
Due in a period between one year and five years	2,302	2,169	2,243
Due after five years	1,215	1,233	1,403
<b>Total minimum lease commitments</b>	<b>4,350</b>	<b>4,135</b>	<b>4,410</b>

(₹ crores)

Finance lease	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Minimum lease com- mitments	Present value of minimum lease com- mitments	Minimum lease com- mitments	Present value of minimum lease com- mitments	Minimum lease com- mitments	Present value of minimum lease com- mitments
Due within one year of Balance sheet date	25	18	59	49	70	57
Due in a period between one year and five years	73	52	80	57	110	81
Due after five years	21	19	33	26	44	33
<b>Total minimum lease commitments</b>	<b>119</b>	<b>89</b>	<b>172</b>	<b>132</b>	<b>224</b>	<b>171</b>
Less: Interest	(30)		(40)		(53)	
<b>Present value of minimum lease commitments</b>	<b>89</b>		<b>132</b>		<b>171</b>	

(₹ crores)

Receivables under sub leases	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due within one year of Balance sheet date	12	19	18
Due in a period between one year and five years	1	16	36
Due after five years	-	-	-
<b>Total</b>	<b>13</b>	<b>35</b>	<b>54</b>

Income from sub leases of ₹ 17 crores and ₹ 25 crores have been recognised in the statement of profit and loss in the year ended March 31, 2017 and March 31, 2016 respectively.

## Notes forming part of the Consolidated Financial Statements

### 28. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(l) to the consolidated financial statements.

#### (a) Financial assets and liabilities

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

(₹ crores)

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
<b>Financial assets:</b>						
Cash and cash equivalents	-	-	-	-	3,597	3,597
Bank deposits & earmarked bank balances	-	-	-	-	553	553
Trade receivables	-	-	-	-	22,684	22,684
Investments	19,692	22,140	-	-	148	41,980
Unbilled revenue	-	-	-	-	5,351	5,351
Loans*	-	-	-	-	2,918	2,918
Other financial assets	-	-	140	432	1,726	2,298
<b>Total</b>	<b>19,692</b>	<b>22,140</b>	<b>140</b>	<b>432</b>	<b>36,977</b>	<b>79,381</b>
<b>Financial liabilities:</b>						
Trade and other payables	-	-	-	-	6,279	6,279
Borrowings	-	-	-	-	271	271
Other financial liabilities	196	-	-	20	1,788	2,004
<b>Total</b>	<b>196</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>8,338</b>	<b>8,554</b>

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

The carrying value of financial instruments by categories as at March 31, 2016 is as follows:

(₹ crores)

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
<b>Financial assets:</b>						
Cash and cash equivalents	-	-	-	-	6,295	6,295
Bank deposits & earmarked bank balances	-	-	-	-	994	994
Trade receivables	-	-	-	-	24,073	24,073
Investments	1,767	20,423	-	-	632	22,822
Unbilled revenue	-	-	-	-	3,992	3,992
Loans*	-	-	-	-	5,215	5,215
Other financial assets	-	-	116	421	1,203	1,740
<b>Total</b>	<b>1,767</b>	<b>20,423</b>	<b>116</b>	<b>421</b>	<b>42,404</b>	<b>65,131</b>
<b>Financial liabilities:</b>						
Trade and other payables	-	-	-	-	7,541	7,541
Borrowings	-	-	-	-	196	196
Other financial liabilities	188	-	15	137	2,517	2,857
<b>Total</b>	<b>188</b>	<b>-</b>	<b>15</b>	<b>137</b>	<b>10,254</b>	<b>10,594</b>

\*Loans include inter-corporate deposits of ₹ 4,186 crores, with original maturity period within 50 months.



**Notes forming part of the Consolidated Financial Statements**

The carrying value of financial instruments by categories as at April 1, 2015 is as follows:

	(₹ crores)					
	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
<b>Financial assets:</b>						
Cash and cash equivalents	-	-	-	-	1,862	1,862
Bank deposits & earmarked bank balances	-	-	-	-	17,196	17,196
Trade receivables	-	-	-	-	20,440	20,440
Investments	1,508	166	-	-	80	1,754
Unbilled revenue	-	-	-	-	3,827	3,827
Loans*	-	-	-	-	3,074	3,074
Other financial assets	-	-	186	179	1,278	1,643
<b>Total</b>	<b>1,508</b>	<b>166</b>	<b>186</b>	<b>179</b>	<b>47,757</b>	<b>49,796</b>
<b>Financial liabilities:</b>						
Trade and other payables	-	-	-	-	8,832	8,832
Borrowings	-	-	-	-	301	301
Other financial liabilities	240	-	-	20	1,647	1,907
<b>Total</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>10,780</b>	<b>11,040</b>

\*Loans include inter-corporate deposits of ₹ 2,726 crores, with original maturity period within 19 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled revenues, loans and trade and other payables as at March 31, 2017, March 31, 2016 and April 1, 2015 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

**Fair value hierarchy:**

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

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

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

## Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

As at March 31, 2017:

**Financial assets:**

	Level 1	Level 2	Level 3	Total
Mutual fund units	19,692	-	-	19,692
Equity shares	-	-	141	141
Corporate debentures and bonds	-	16	-	16
Government securities	22,131	-	-	22,131
Derivative financial assets	-	572	-	572
<b>Total</b>	<b>41,823</b>	<b>588</b>	<b>141</b>	<b>42,552</b>

**Financial liabilities:**

Derivative financial liabilities	-	20	-	20
Other financial liabilities	-	-	196	196
<b>Total</b>	<b>-</b>	<b>20</b>	<b>196</b>	<b>216</b>

(₹ crores)

As at March 31, 2016:

**Financial assets:**

	Level 1	Level 2	Level 3	Total
Mutual fund units	1,767	-	-	1,767
Equity shares	-	-	169	169
Corporate debentures and bonds	-	40	-	40
Government securities	20,355	-	-	20,355
Certificate of deposits	-	491	-	491
Derivative financial assets	-	537	-	537
<b>Total</b>	<b>22,122</b>	<b>1,068</b>	<b>169</b>	<b>23,359</b>

**Financial liabilities:**

Derivative financial liabilities	-	152	-	152
Other financial liabilities	-	-	188	188
<b>Total</b>	<b>-</b>	<b>152</b>	<b>188</b>	<b>340</b>

(₹ crores)

As at April 1, 2015:

**Financial assets:**

	Level 1	Level 2	Level 3	Total
Mutual fund units	1,508	-	-	1,508
Equity shares	4	-	162	166
Corporate debentures and bonds	-	25	-	25
Government securities	55	-	-	55
Derivative financial assets	-	365	-	365
<b>Total</b>	<b>1,567</b>	<b>390</b>	<b>162</b>	<b>2,119</b>

**Financial liabilities:**

Derivative financial liabilities	-	20	-	20
Other financial liabilities	-	-	240	240
<b>Total</b>	<b>-</b>	<b>20</b>	<b>240</b>	<b>260</b>

**Notes forming part of the Consolidated Financial Statements**

(₹ crores)

**Reconciliation of Level 3 fair value measurement**

Opening balance
Less: Sale of equity shares
Exchange (loss) / gain
Closing balance

As at March 31, 2017	As at March 31, 2016
169	162
(25)	-
(3)	7
<u>141</u>	<u>169</u>

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

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

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

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

The Company and its subsidiaries report quarterly to its risk management committee, an independent body that monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

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

Foreign currency	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)
U.S. Dollar	6	150	9	9	225	41	-	-	-
Sterling Pound	45	318	60	8	160	52	18	297	67
Euro	27	198	40	24	285	20	9	171	88
Australian Dollar	6	60	11	21	228	(12)	6	97	31

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

Foreign currency	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)
Sterling Pound	5	125	5	-	-	-	-	-	-
Euro	3	91	15	-	-	-	-	-	-

## Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

	Year ended March 31, 2017		Year ended March 31, 2016	
	Intrinsic value	Time value	Intrinsic value	Time value
<b>Balance at the beginning of the year</b>	68	(19)	131	(1)
Changes in the fair value of effective portion of cash flow hedges	784	(232)	250	(339)
Deferred tax on fair value of effective portion of cash flow hedges	(108)	30	(32)	44
(Gain) / loss transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	(743)	235	(323)	318
Deferred tax on (gain) / loss transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	104	(31)	42	(41)
<b>Balance at the end of the year</b>	<b>105</b>	<b>(17)</b>	<b>68</b>	<b>(19)</b>

Net gain on derivative instruments of ₹ 88 crores recognised in Hedging Reserve as at March 31, 2017, is expected to be transferred to the statement of profit and loss by March 31, 2018. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2017.

In addition to the above cash flow hedges, the Group has outstanding foreign exchange forwards, option and futures contracts with notional amount aggregating ₹ 19,159 crores (March 31, 2016: ₹ 22,144 crores, April 1, 2015: ₹ 19,949 crores) whose fair value showed a gain of ₹ 412 crores as at March 31, 2017 (March 31, 2016: gain of ₹ 284 crores, April 1, 2015: gain of ₹ 159 crores). Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange gain of ₹ 1,522 crores (March 31, 2016: Exchange gain of ₹ 181 crores) on foreign exchange forwards, option and futures contracts for the year ended March 31, 2017, have been recognised in the statement of profit and loss.

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

(₹ crores)

	2017	2016
10% Appreciation of the underlying foreign currencies	(218)	(238)
10% Depreciation of the underlying foreign currencies	793	623

### (c) Financial risk management:

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

#### (i) Market risk

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

#### (a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

## Notes forming part of the Consolidated Financial Statements

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound, Australian Dollar, Singapore Dollar, Saudi Arabian Riyal, Danish Kroner and Brazilian Real against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenue in international business.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Tata Consultancy Services Limited as of the date of Balance sheet which could affect the statement of profit and loss and other comprehensive income and equity.

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

The following table sets forth information relating to foreign currency exposure as at March 31, 2017:

(₹ crores)

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

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's profit before tax by approximately ₹ 288 crores for the year ended March 31, 2017.

The following table sets forth information relating to foreign currency exposure as at March 31, 2016:

(₹ crores)

	USD	EUR	GBP	AUD	SGD	DKK	BRL	SAR	Others*
Net financial assets	1,123	127	74	26	28	57	10	-	638
Net financial liabilities	(322)	(6)	(72)	(68)	(23)	(2)	(11)	(538)	(314)

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's profit before tax by approximately ₹ 73 crores for the year ended March 31, 2016.

The following table sets forth information relating to foreign currency exposure as at April 1, 2015:

(₹ crores)

	USD	EUR	GBP	AUD	SGD	DKK	BRL	SAR	Others*
Net financial assets	884	63	106	15	98	98	95	-	295
Net financial liabilities	(2,248)	(99)	(17)	(15)	(4)	(4)	-	(8)	(74)

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's profit before tax by approximately ₹ 82 crores as at April 1, 2015.

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

## Notes forming part of the Consolidated Financial Statements

### (b) Interest rate risk

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

### (ii) Credit risk

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹ 2,568 crores are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹ 415 crores held with an Indian bank having high quality credit rating which are individually in excess of 10% or more of the Group's total bank deposits in year ended March 2017. None of the other financial instruments of the Group result in material concentration of credit risk.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 79,239 crores, ₹ 64,961 crores, ₹ 49,629 crores as at March 31, 2017, March 31, 2016 and April 1, 2015, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, unbilled revenue and other financial assets.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as at March 31, 2017 and March 31, 2016.

### Geographic concentration of credit risk

The Group also has a geographic concentration of trade receivables, net of allowances and unbilled revenue is given below:

	(In %)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
United States of America	44.30	42.90	41.90
India	14.71	15.32	16.50
United Kingdom	13.46	14.97	15.00

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

### (iii) Liquidity risk

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

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

	(₹ crores)				
As at March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
<b>Non-derivative financial liabilities:</b>					
Trade and other payables	6,279	-	-	-	6,279
Borrowings	200	16	36	19	271
Other financial liabilities	1,530	13	464	2	2,009
<b>Total</b>	<b>8,009</b>	<b>29</b>	<b>500</b>	<b>21</b>	<b>8,559</b>
<b>Derivative financial liabilities</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>Total</b>	<b>8,029</b>	<b>29</b>	<b>500</b>	<b>21</b>	<b>8,579</b>



Notes forming part of the Consolidated Financial Statements

(₹ crores)

As at March 31, 2016

**Non-derivative financial liabilities:**

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Trade and other payables	7,541	-	-	-	7,541
Borrowings	113	24	33	26	196
Other financial liabilities	2,212	44	467	19	2,742
<b>Total</b>	<b>9,866</b>	<b>68</b>	<b>500</b>	<b>45</b>	<b>10,479</b>
<b>Derivative financial liabilities</b>	<b>152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152</b>
<b>Total</b>	<b>10,018</b>	<b>68</b>	<b>500</b>	<b>45</b>	<b>10,631</b>

(₹ crores)

As at April 1, 2015

**Non-derivative financial liabilities:**

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Trade and other payables	8,832	-	-	-	8,832
Borrowings	186	43	38	34	301
Other financial liabilities	1,225	63	608	10	1,906
<b>Total</b>	<b>10,243</b>	<b>106</b>	<b>646</b>	<b>44</b>	<b>11,039</b>
<b>Derivative financial liabilities</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>Total</b>	<b>10,263</b>	<b>106</b>	<b>646</b>	<b>44</b>	<b>11,059</b>

**29. Segment reporting**

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

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

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

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

## Notes forming part of the Consolidated Financial Statements

Summarised segment information for the years ended March 31, 2017, 2016 and April 1, 2015 is as follows:

Year ended March 31, 2017

(₹ crores)

Particulars	Business segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	
Revenue	47,505	12,486	20,459	19,521	17,995	117,966
Segment result	13,098	3,574	5,740	5,552	4,271	32,235
Total Unallocable expenses						1,943
<b>Operating income</b>						30,292
Other income (net)						4,221
Profit before taxes						34,513
Tax expense						8,156
<b>Profit for the year</b>						26,357
Depreciation and amortisation	74	-	-	-	2	76
Depreciation and amortisation (unallocable)						1,911
Significant non-cash items (allocable)	19	6	10	22	68	125

As at March 31, 2017

(₹ crores)

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

**Notes forming part of the Consolidated Financial Statements**

Year ended March 31, 2016

(₹ crores)

Particulars	Business segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	
<b>Revenue</b>	44,163	10,909	19,204	18,040	16,330	1,08,646
<b>Segment result</b>	12,851	2,924	5,330	5,190	4,294	30,589
Total Unallocable expenses						1,833
<b>Operating income</b>						28,756
Other income (net)						3,084
Profit before taxes						31,840
Tax expense						7,502
<b>Profit for the year</b>						24,338
Depreciation and amortisation (allocable)	86	-	-	-	2	88
Depreciation and amortisation (unallocable)	-	-	-	-	-	1,800
Significant non-cash items (allocable)	30	9	27	9	60	135

As at March 31, 2016

(₹ crores)

Particulars	Business segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	
<b>Segment assets</b>	11,525	2,825	4,917	5,076	6,233	30,576
Unallocable assets						58,520
<b>Total assets</b>						89,096
<b>Segment liabilities</b>	1,844	149	276	437	702	3,408
Unallocable liabilities						14,261
<b>Total liabilities</b>						17,669

As at April 1, 2015

(₹ crores)

Particulars	Business segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	
<b>Segment assets</b>	9,599	2,441	4,261	4,331	6,551	27,183
Unallocable assets						45,783
<b>Total assets</b>						72,966
<b>Segment liabilities</b>	2,593	341	731	828	1,352	5,845
Unallocable liabilities						10,845
<b>Total liabilities</b>						16,690

## Notes forming part of the Consolidated Financial Statements

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

Information regarding geographical revenue is as follows:

(₹ crores)

### Geography

	2017	2016
Americas (1)	66,091	60,011
Europe (2)	30,038	29,092
India	7,415	6,729
Others	14,422	12,814
<b>Total</b>	<b>1,17,966</b>	<b>1,08,646</b>

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

Information regarding geographical non-current assets is as follows:

(₹ crores)

### Geography

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Americas (3)	1,246	1,170	1,254
Europe (4)	1,521	1,585	1,629
India	15,355	15,335	14,597
Others	598	745	884
<b>Total</b>	<b>18,720</b>	<b>18,835</b>	<b>18,364</b>

- i. (1) and (3) are substantially related to operations in the United States of America.
- ii. (2) includes revenue from operations in the United Kingdom of ₹ 16,404 crores and ₹ 17,171 crores for the years ended March 31, 2017 and March 31, 2016 respectively.
- iii. (4) includes non-current assets from operations in the United Kingdom of ₹ 568 crores, ₹ 643 crores and ₹ 726 crores as at March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

### Information about major customers:

No single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2017 and March 31, 2016.

**30. Commitments and contingent liabilities****Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2017 is ₹ 1,503 crores.

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

Refer note 10.

**Indirect tax matters**

Tata Consultancy Services Limited and its subsidiaries in India have ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. As at March 31, 2017, Tata Consultancy Services Limited and its subsidiaries in India have demands on appeal amounting to ₹ 284 crores from various indirect tax authorities in Indian jurisdiction, which are being contested by the Company and its subsidiaries in India. In respect of indirect tax contingencies of ₹ 9 crores, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

**Other claims**

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

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

In October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin for alleged infringement of Epic's intellectual property. In April 2016, the Company received an unfavourable jury verdict awarding damages totalling ₹ 6,101 crores (US\$941 million) to Epic which the trial judge has indicated his intent to reduce. On the basis of legal opinion and legal precedence, the Company expects to defend itself against the claim and believes that the claim will not sustain.

The Company has given letter of comfort to various banks for credit facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Asia Pacific Pte Ltd. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiaries and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiaries.

The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in those jurisdictions. 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.

## Notes forming part of the Consolidated Financial Statements

### 31. Statement of Net assets and Profit and Loss and other comprehensive income attributable to Owners and Non-controlling interest

Name of the entity	Country of incorporation	% of voting power as at March 31, 2017	% of voting power as at March 31, 2016	As % of consolidated assets	Net assets, i.e. total assets minus total liabilities	Share in profit and loss	Share in Other comprehensive income		Share in Total comprehensive income		
							Amount (₹ crores)	As % of consolidated other comprehensive income (₹ crores)		Amount (₹ crores)	As % of consolidated comprehensive income (₹ crores)
Tata Consultancy Services Limited	India	-	-	84.61	78,022	86.94	23,653	102.02	303	87.11	23,956
<b>Subsidiaries (held directly)</b>											
<b>Indian</b>											
APTOOnline Limited	India	89.00	89.00	0.07	66	0.07	20	-	-	0.07	20
MP Online Limited	India	89.00	89.00	0.08	74	0.07	20	-	-	0.07	20
C-Edge Technologies Limited	India	51.00	51.00	0.14	131	0.12	34	-	-	0.12	34
ManaOnline Limited	India	74.00	74.00	0.05	46	0.02	5	-	-	0.02	5
TCS e-Serve International Limited	India	100.00	100.00	0.24	222	0.15	41	-	-	0.15	41
TCS Foundation	India	100.00	100.00	0.54	500	0.82	222	-	-	0.81	222
<b>Foreign</b>											
Diligenta Limited	UK	100.00	100.00	0.64	591	0.03	8	(4.38)	(13)	(0.02)	(5)
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00	0.55	508	1.18	320	-	-	1.16	320
Tata America International Corporation	USA	100.00	100.00	3.60	3,324	4.15	1,130	-	-	4.11	1,130
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00	0.54	499	0.44	120	-	-	0.44	120
Tata Consultancy Services Belgium S.A.	Belgium	100.00	100.00	0.28	257	0.37	102	-	-	0.37	102
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00	0.14	127	0.36	98	(0.67)	(2)	0.35	96
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00	2.02	1,866	1.22	333	-	-	1.21	333
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00	0.34	309	0.48	130	-	-	0.47	130
TCS FNS Pty Limited	Australia	100.00	100.00	-	1	-	-	-	-	-	-
TCS Iberoamerica SA	Uruguay	100.00	100.00	1.33	1,223	0.44	120	-	-	0.44	120
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.06	52	0.16	44	-	-	0.16	44



Notes forming part of the Consolidated Financial Statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2017	% of voting power as at March 31, 2016	Net assets, i.e. total assets minus total liabilities		Share in profit and loss	Share in Other comprehensive income	Share in Total comprehensive income
				As % of consolidated net assets	Amount (₹ crores)			
CMC Americas Inc. (w.e.f. 01.04.2015)	USA	100.00	100.00	0.18	164	0.13	-	36
Tata Consultancy Services Qatar S.S.C.	Qatar	100.00	100.00	0.07	66	0.03	-	9
<b>Subsidiaries (held indirectly)</b>								
<b>Foreign</b>								
CMC eBiz Inc.	USA	100.00	100.00	-	-	-	-	-
TCS e-Serve America, Inc.	USA	100.00	100.00	0.01	8	(0.03)	-	(8)
Diligenta 2 Limited (w.e.f. March 14, 2017)	UK	-	100.00	-	-	-	-	-
MS CJV Investments Corporation (w.e.f. January 24, 2017)	USA	-	100.00	-	-	-	-	-
Tata Consultancy Services (China) Co., Ltd. (w.e.f. December 29, 2016)	China	93.20	90.00	0.19	177	0.14	-	37
Tata Consultancy Services Japan, Ltd.	Japan	51.00	51.00	0.93	855	0.38	-	104
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00	0.10	93	0.06	-	16
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00	0.03	27	0.07	-	18
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00	0.23	212	0.28	-	76
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00	0.02	14	0.01	-	3
TCS Italia SRL	Italy	100.00	100.00	-	2	0.01	-	2
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00	0.06	52	0.10	-	27
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00	0.31	282	0.43	1.35	122
Tata Consultancy Services France S.A.S	France	100.00	100.00	-	1	0.01	(0.34)	3
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00	-	4	-	-	1
Tata Consultancy Services Denmark ApS	Denmark	100.00	100.00	-	3	-	-	-

## Notes forming part of the Consolidated Financial Statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2017	% of voting power as at March 31, 2016	Net assets, i.e. total assets minus total liabilities		Share in profit and loss	Share in Other comprehensive income	Share in Total comprehensive income				
				As % of consolidated assets	Amount (₹ crores)				As % of consolidated other comprehensive income	Amount (₹ crores)	As % of consolidated comprehensive income	Amount (₹ crores)
				As % of consolidated net assets	Amount dated profit and loss (₹ crores)				As % of consolidated comprehensive income	Amount (₹ crores)	As % of consolidated comprehensive income	Amount (₹ crores)
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00	0.02	15	0.06	15	-	0.05	15		
Tata Consultancy Services Portugal Unipessoal Limitada	Portugal	100.00	100.00	(0.01)	(13)	-	(1)	-	-	(1)		
Alti S.A.	France	100.00	100.00	(0.01)	(12)	(0.49)	(134)	5.39	16	(118)		
Alti HR S.A.S.	France	100.00	100.00	0.01	10	-	(1)	-	-	(1)		
Tescom (France) Software Systems Testing S.A.R.L.	France	100.00	100.00	(0.01)	(9)	(0.01)	(3)	-	(0.01)	(3)		
Alti Switzerland S.A.	Switzerland	100.00	100.00	0.01	12	-	1	-	-	1		
Alti Infrastructures Systemes & Reseaux S.A.S.	France	100.00	100.00	-	(2)	-	(1)	-	-	(1)		
Alti NV	Belgium	100.00	100.00	-	4	(0.03)	(9)	-	(0.03)	(9)		
Teamlink	Belgium	100.00	100.00	-	(1)	-	-	-	-	-		
Planaxis Technologies Inc.	Canada	100.00	100.00	0.04	40	0.01	3	-	0.01	3		
Tata Consultancy Services Saudi Arabia (w.e.f. July 2, 2015)	Saudi Arabia	76.00	76.00	0.04	41	0.14	37	-	0.13	37		
Tata Consultancy Services (South Africa) (PTY) Ltd. (w.e.f. July 28, 2016)	South Africa	100.00	75.00	0.06	59	0.11	29	-	0.11	29		
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00	0.03	29	0.01	2	-	0.01	2		
TCS Financial Solutions Australia Holdings Pty Limited	Australia	100.00	100.00	0.05	49	-	-	-	-	-		
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00	0.14	125	0.11	31	0.34	1	32		
PT Financial Network Services (w.e.f. March 16, 2017)	Indonesia	-	100.00	-	-	-	1	-	-	1		
TCS Solution Center S.A.	Uruguay	100.00	100.00	0.12	109	0.10	27	(2.69)	(8)	19		
TCS Uruguay S.A.	Uruguay	100.00	100.00	0.06	53	0.02	6	-	-	6		
Tata Consultancy Services Argentina S.A.	Argentina	99.99	99.99	(0.04)	(36)	(0.06)	(15)	-	(0.05)	(15)		

**Notes forming part of the Consolidated Financial Statements**

Name of the entity	Country of incorporation	% of voting power at March 31, 2017	% of voting power as at March 31, 2016	Net assets, i.e. total assets minus total liabilities		Share in profit and loss	Share in Other comprehensive income	Share in Total comprehensive income	
				Amount (₹ crores)	As % of consolidated total comprehensive income				
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00	0.08	73	0.03	-	0.03	9
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00	0.55	509	1.00	-	0.99	272
MGDC S.C.	Mexico	100.00	100.00	0.13	122	0.14	0.34	0.14	39
TCS Inversiones Chile Limitada	Chile	99.99	99.99	0.34	311	-	-	-	(1)
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00	0.72	666	0.25	-	0.24	67
Technology Outsourcing S.A.C. (w.e.f. October 30, 2015)	Petru	100.00	100.00	0.01	8	(0.01)	-	(0.01)	(2)
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00	0.06	65	(0.12)	(1.34)	(0.15)	(40)
Trusts	India	-	-	0.23	211	0.10	-	0.10	27
<b>TOTAL</b>				<b>100.00</b>	<b>92,216</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>27,502</b>
<b>(a) Adjustments arising out of consolidation</b>					<b>(5,636)</b>				<b>(1,322)</b>
<b>(b) Non-controlling interest</b>									
<b>Indian Subsidiaries</b>									
APTOOnline Limited					(7)	(2)	-	(2)	(2)
MP Online Limited					(8)	(2)	-	(2)	(2)
C-Edge Technologies Limited					(67)	(22)	-	(22)	(22)
MahaOnline Limited					(10)	(1)	-	(1)	(1)
<b>Foreign Subsidiaries</b>									
Tata Consultancy Services (China) Co., Ltd.					(12)	(4)	7	3	3
Tata Consultancy Services Japan, Ltd.					(262)	(34)	(1)	(35)	(35)
Tata Consultancy Services (South Africa) (PTY) Ltd.					-	(3)	(1)	(4)	(4)
<b>TOTAL</b>					<b>(366)</b>	<b>(68)</b>	<b>5</b>	<b>(63)</b>	<b>(63)</b>
<b>GRAND TOTAL</b>					<b>86,214</b>	<b>26,289</b>	<b>(172)</b>	<b>26,117</b>	<b>26,117</b>

## Notes forming part of the Consolidated Financial Statements

### 32. Related party transactions

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

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

Transactions with related parties are as follows:

(₹ crores)

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

(₹ crores)

	Year ended March 31, 2016				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Revenue from operations	4	223	2,163	-	2,390
Purchases of goods and services (including reimbursement)	3	633	492	-	1,128
Brand equity contribution	128	-	-	-	128
Dividend paid	5,846	4	3	-	5,853
Purchase of property, plant and equipment	-	30	60	-	90
Contribution to employees post employment benefit plans	-	-	-	829	829
Rent expense	1	28	5	-	34
Loans and advances given	-	1	-	-	1
Bad debts and advances written off, Allowances for doubtful trade receivables and advances (net)	-	-	2	-	2

**Notes forming part of the Consolidated Financial Statements**

Balances receivable from related parties are as follows:

(₹ crores)

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

(₹ crores)

As at March 31, 2016				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and its subsidiaries	Total
Trade receivables and unbilled revenue (net)	2	111	625	738
Loans and advances, other financial assets and other assets	2	2	9	13
Investments	-	19	-	19
<b>Total</b>	<b>4</b>	<b>132</b>	<b>634</b>	<b>770</b>

(₹ crores)

As at April 1, 2015				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and its subsidiaries	Total
Trade receivables and unbilled revenue (net)	1	116	665	782
Loans and advances, other financial assets and other assets	3	1	11	15
Investments	-	19	-	19
<b>Total</b>	<b>4</b>	<b>136</b>	<b>676</b>	<b>816</b>

## Notes forming part of the Consolidated Financial Statements

### Balances payable to related parties

(₹ crores)

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

(₹ crores)

As at March 31, 2016				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and its subsidiaries	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	117	20	87	224
<b>Total</b>	<u>117</u>	<u>20</u>	<u>87</u>	<u>224</u>
Commitments	-	25	59	84

(₹ crores)

As at April 1, 2015				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and its subsidiaries	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	114	36	96	246
<b>Total</b>	<u>114</u>	<u>36</u>	<u>96</u>	<u>246</u>
Commitments	-	51	95	146

The Group's material related party transactions and outstanding balances are with its subsidiaries with whom the Group routinely enters into transactions in the ordinary course of business.



**Notes forming part of the Consolidated Financial Statements**

Compensation to key management personnel is as follows:

	(₹ crores)	
	2017	2016
Short-term benefits	46	43
Dividend paid during the year	1	-
<b>Total</b>	<u>47</u>	<u>43</u>

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

**33. Dividends**

Dividends paid during the year ended March 31, 2017 include an amount of ₹ 27 per equity share towards final dividend for the year ended March 31, 2016 and an amount of ₹ 19.50 per equity share towards interim dividend for the year ending March 31, 2017. Dividends paid during the year ended March 31, 2016 include an amount of ₹ 24 per equity share towards final dividend for the year ended March 31, 2015 and an amount of ₹ 16.50 per equity share towards interim dividend for the year ending March 31, 2016.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As at March 31, 2017, income (net of dividend tax) available for distribution were ₹ 62,383 crores. On April 18, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 27.50 per share in respect of the year ending March 31, 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 6,522 crores inclusive of dividend distribution tax of ₹ 1,103 crores.

# Unconsolidated Financial Statements



TCS Peepul Park, Trivandrum

**TO THE MEMBERS OF  
TATA CONSULTANCY SERVICES LIMITED**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Tata Consultancy Services Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W - 100018)

**P. R. RAMESH**  
Partner  
(Membership No. 70928)

Mumbai, April 18, 2017

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act') of Tata Consultancy Services Limited**

We have audited the internal financial controls over financial reporting of **Tata Consultancy Services Limited** ('the Company') as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended and as at on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W - 100018)

Mumbai, April 18, 2017

**P. R. RAMESH**  
Partner  
(Membership No. 70928)



**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Tata Consultancy Services Limited ('the Company')**

- i. In respect of the Company's property, plant and equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.  
In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2017 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income Tax, Sales Tax, Service Tax and Value Added Tax which have not been deposited as at March 31, 2017 on account of dispute are given below:

Particular	Forum where the dispute is pending	Financial Year to which the amount relates	Total (₹ Crores)
Income Tax	Commissioner of Income Tax (Appeals)	2007-2008, 2009-2010, 2011-2012, 2012-2013	1,821
	Income Tax Appellate Tribunal	2005-2006, 2010-2011	1,789
Sales Tax, and Value Added Tax	Additional Commissioner	2007-2008	- *
	Assistant Commissioner	1995-1996, 1997-1998, 2004-2005, 2005-2006, 2011-2012	-*
	Deputy Commissioner	1994-1995, 2005-2006, 2008-2009, 2010-2011, 2011-2012, 2013-2014	4
	Joint commissioner	1997-1998, 2005-2006, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014	4
	Tribunal	1990-1991, 2002-2003, 2003-2004, 2004-2005,	7

Particular	Forum where the dispute is pending	Financial Year to which the amount relates	Total (₹ Crores)
	High Court	2005-2006, 2006-2007, 2008-2009 1994-1995, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013	142
Service Tax	Commissioner of Service tax (Appeals)	2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015	4
	Tribunal	2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013	85

\* Indicates amount less than ₹0.50 crore.

There were no dues of duty of Customs, duty of Excise and Cess which have not been deposited as at March 31, 2017 on account of dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W / W - 100018)

Mumbai, April 18, 2017

P. R. RAMESH  
Partner  
(Membership No. 70928)

**Balance Sheet as at March 31, 2017, 2016 and April 1, 2015**

(₹ crores)

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non - current assets</b>				
(a) Property, plant and equipment	4	9,214	9,056	7,629
(b) Capital work-in-progress		1,477	1,640	2,741
(c) Intangible assets	5	17	24	31
(d) Financial assets				
(i) Investments	6(i)	2,201	2,229	2,283
(ii) Loans	7(i)	6	2,432	1,587
(iii) Other financial assets	8(i)	638	1,179	1,080
(e) Income tax assets (net)		4,560	4,230	3,956
(f) Deferred tax assets (net)	9	2,447	2,530	2,321
(g) Other assets	10(i)	579	720	843
<b>Total non - current assets</b>		<b>21,139</b>	<b>24,040</b>	<b>22,471</b>
<b>Current assets</b>				
(a) Inventories	11	21	9	15
(b) Financial assets				
(i) Investments	6(ii)	40,729	21,930	971
(ii) Trade receivables	12	16,649	19,058	17,392
(iii) Unbilled revenue		4,235	2,712	2,631
(iv) Cash and cash equivalents	13	790	4,383	461
(v) Other balances with banks	14	526	423	16,074
(vi) Loans	7(ii)	2,704	2,523	1,337
(vii) Other financial assets	8(ii)	1,418	866	884
(c) Other assets	10(ii)	1,547	1,473	1,503
<b>Total current assets</b>		<b>68,619</b>	<b>53,377</b>	<b>41,268</b>
<b>TOTAL ASSETS</b>		<b>89,758</b>	<b>77,417</b>	<b>63,739</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	15	197	197	197
(b) Other equity	16	77,825	64,816	51,352
<b>Total Equity</b>		<b>78,022</b>	<b>65,013</b>	<b>51,549</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Long-term borrowings	17(i)	44	50	65
(ii) Other financial liabilities	18(i)	245	293	411
(b) Employee benefit obligation		63	48	56
(c) Provisions	19(i)	39	40	94
(d) Deferred tax liabilities (net)	9	314	366	272
(e) Other liabilities	20(i)	330	298	281
<b>Total non-current liabilities</b>		<b>1,035</b>	<b>1,095</b>	<b>1,179</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Short-term borrowings	17(ii)	200	113	186
(ii) Trade and other payables		4,874	5,370	6,855
(iii) Other financial liabilities	18(ii)	1,262	2,083	1,001
(b) Unearned and deferred revenue		1,126	1,068	870
(c) Current income tax liabilities (net)		1,046	536	350
(d) Employee benefit obligation		1,376	1,164	982
(e) Provisions	19(ii)	66	115	103
(f) Other liabilities	20(ii)	751	860	664
<b>Total current liabilities</b>		<b>10,701</b>	<b>11,309</b>	<b>11,011</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>89,758</b>	<b>77,417</b>	<b>63,739</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

1-37

As per our report attached

 For Deloitte Haskins & Sells LLP  
Chartered Accountants

 N. Chandrasekaran  
Chairman

 V. Ramakrishnan  
CFO

For and on behalf of the Board

 Dr. Ron Sommer  
Director

 Aarthi Subramanian  
Executive Director

 O. P. Bhatt  
Director

 P. R. Ramesh  
Partner

 Rajesh Gopinathan  
CEO and Managing Director

 Ishaat Hussain  
Director

 V. Thyagarajan  
Director

 Prof. Clayton M Christensen  
Director

Mumbai, April 18, 2017

 N. Ganapathy Subramaniam  
COO and Executive Director

 Dr. Vijay Kelkar  
Director

 Aman Mehta  
Director

 Suprakash Mukhopadhyay  
Company Secretary

## Statement of Profit and Loss for the years ended March 31, 2017 and 2016

(₹ crores)

	Note	2017	2016
I. Revenue from operations		92,693	85,864
II. Other income (net)	21	4,568	3,757
III. <b>TOTAL INCOME</b>		97,261	89,621
IV. <b>Expenses:</b>			
(a) Employee benefit expenses	22	48,116	42,420
(b) Other operating expenses	23	17,488	16,390
(c) Finance costs	26	16	13
(d) Depreciation and amortisation expense		1,575	1,459
<b>TOTAL EXPENSES</b>		67,195	60,282
V. <b>PROFIT BEFORE TAX (III-IV)</b>		30,066	29,339
VI. <b>Tax expense:</b>			
(a) Current tax	9	6,643	6,376
(b) Deferred tax	9	(230)	(112)
<b>TOTAL TAX EXPENSE</b>		6,413	6,264
VII. <b>PROFIT FOR THE YEAR (V-VI)</b>		23,653	23,075
VIII. <b>OTHER COMPREHENSIVE INCOME / (LOSSES)</b>			
(A) (i) <b>Items that will be reclassified subsequently to the statement of profit and loss</b>			
(a) Net changes in fair values of investments other than equity shares carried at fair value through OCI		740	82
(b) Net changes in fair values of intrinsic value of cash flow hedges		41	(73)
(c) Net changes in fair values of time value of cash flow hedges		3	(21)
(ii) <b>Income tax on items that will be reclassified subsequently to statement of profit and loss</b>		(261)	(15)
(B) (i) <b>Items that will not be reclassified subsequently to the statement of profit and loss</b>			
(a) Remeasurement of defined employee benefit plans		(200)	(122)
(b) Changes in fair values of investment in equities carried at fair value through OCI		(20)	5
(ii) <b>Income tax on items that will not be reclassified subsequently to the statement of profit and loss</b>		-	12
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)</b>		303	(132)
IX. <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		23,956	22,943
X. <b>Earnings per equity share - Basic and diluted (₹)</b>	31	120.04	117.11
Weighted average number of equity shares (face value of ₹ 1 each)		197,04,27,941	197,04,27,941
XI. <b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	1-37		

As per our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

P. R. Ramesh  
Partner

Mumbai, April 18, 2017

N. Chandrasekaran  
Chairman

Rajesh Gopinathan  
CEO and Managing Director

N. Ganapathy Subramaniam  
COO and Executive Director

V. Ramakrishnan  
CFO

Ishaat Hussain  
Director

Dr. Vijay Kelkar  
Director

For and on behalf of the Board

Dr. Ron Sommer  
Director

V. Thyagarajan  
Director

Aman Mehta  
Director

Aarthi Subramanian  
Executive Director

Prof. Clayton M Christensen  
Director

Suprakash Mukhopadhyay  
Company Secretary

O. P. Bhatt  
Director

**Statement of Changes in Equity for the years ended March 31, 2017 and 2016**
**A. EQUITY SHARE CAPITAL**

(₹ crores)

Balance as at April 1, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
197	-	197

(₹ crores)

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

**B. OTHER EQUITY**

(₹ crores)

	Reserves and surplus					Items of other comprehensive income				Total Equity
	Capital reserve*	Securities premium	Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve Intrinsic value	Time value	
Balance as at April 1, 2015	-	1,919	100	6,830	-	42,370	3	131	(1)	51,352
Profit for the year	-	-	-	-	-	23,075	-	-	-	23,075
Other comprehensive income	-	-	-	-	-	(107)	56	(63)	(18)	(132)
<b>Total comprehensive income</b>	-	-	-	-	-	22,968	56	(63)	(18)	22,943
Dividend (including tax on dividend)	-	-	-	-	-	(9,479)	-	-	-	(9,479)
Transfer of profits of the year to General reserve	-	-	-	2,288	-	(2,288)	-	-	-	-
Realised gain on equity shares carried at fair value through OCI	-	-	-	-	-	5	(5)	-	-	-
Balance as at March 31, 2016	-	1,919	100	9,118	-	53,576	54	68	(19)	64,816
Balance as at April 1, 2016	-	1,919	100	9,118	-	53,576	54	68	(19)	64,816
Profit for the year	-	-	-	-	-	23,653	-	-	-	23,653
Other comprehensive income	-	-	-	-	-	(200)	464	37	2	303
<b>Total comprehensive income</b>	-	-	-	-	-	23,453	464	37	2	23,956
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	376	(376)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(279)	279	-	-	-	-
Dividend (including tax on dividend)	-	-	-	-	-	(10,947)	-	-	-	(10,947)
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	(20)	20	-	-	-
Balance as at March 31, 2017	-	1,919	100	9,118	97	65,965	538	105	(17)	77,825

\* represents values less than ₹ 0.50 crore.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

1-37

As per our report attached

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

**P. R. Ramesh**  
Partner

Mumbai, April 18, 2017

**N. Chandrasekaran**  
Chairman

**Rajesh Gopinathan**  
CEO and Managing Director

**N. Ganapathy Subramaniam**  
COO and Executive Director

**V. Ramakrishnan**  
CFO

**Ishaat Hussain**  
Director

**Dr. Vijay Kelkar**  
Director

For and on behalf of the Board

**Dr. Ron Sommer**  
Director

**V. Thyagarajan**  
Director

**Aman Mehta**  
Director

**Aarthi Subramanian**  
Executive Director

**Prof. Clayton M Christensen**  
Director

**Suprakash Mukhopadhyay**  
Company Secretary

**O. P. Bhatt**  
Director

## Statement of Cash Flow for the years ended March 31, 2017 and 2016

(₹ crores)

	Note	2017	2016
<b>I NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		30,066	29,339
Adjustments for:			
Depreciation and amortisation expense		1,575	1,459
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)		107	119
Interest expense		16	13
Gain on disposal of property, plant and equipment		(6)	(5)
Unrealised foreign exchange gain		52	(49)
Dividend income (including exchange gain)		(394)	(705)
Interest income		(2,216)	(1,695)
Net gain on investments		(596)	(451)
<b>Operating profit before working capital changes</b>		<b>28,604</b>	<b>28,025</b>
Inventories		(12)	6
Unbilled revenue		(1,523)	(81)
Trade receivables		2,303	(1,777)
Loans		705	(679)
Other financial assets		(46)	(264)
Other assets		67	130
Trade and other payables		(495)	(1,485)
Unearned and deferred revenue		58	198
Other financial liabilities		37	155
Other liabilities		(100)	222
<b>Cash generated from operations</b>		<b>29,598</b>	<b>24,450</b>
Taxes paid		(6,466)	(6,464)
<b>Net cash provided by operating activities</b>		<b>23,132</b>	<b>17,986</b>
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant and equipment		(1,655)	(1,765)
Proceeds from disposal of property, plant and equipment		19	6
Purchase of investments		(118,283)	(113,968)
Proceeds from disposal / redemption of investments		100,031	94,410
Loans repaid by subsidiaries		-	6
Inter-corporate deposits placed		(2,125)	(2,425)
Proceeds from inter-corporate deposits		3,697	1,063
Earmarked deposits placed with banks		-	(400)
Proceeds from earmarked deposits with banks		400	99
Proceeds from bank deposits		-	15,953
Dividend received from subsidiaries (including exchange gain)		394	696
Dividend received from other investments		-	9
Interest received		1,740	1,798
<b>Net cash used in investing activities</b>		<b>(15,782)</b>	<b>(4,518)</b>
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of finance lease obligations		(15)	(21)
Short term borrowings (net)		87	(73)
Dividend paid (including dividend tax)		(10,947)	(9,479)
Interest paid		(16)	(13)
<b>Net cash used in financing activities</b>		<b>(10,891)</b>	<b>(9,586)</b>
<b>Net change in cash and cash equivalents</b>		<b>(3,541)</b>	<b>3,882</b>
Cash and cash equivalents at the beginning of the year		4,383	461
Exchange difference on translation of foreign currency cash and cash equivalents		(52)	40
<b>Cash and cash equivalents at the end of the year</b>		<b>790</b>	<b>4,383</b>
<b>IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>			

1-37

As per our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

N. Chandrasekaran  
Chairman

V. Ramakrishnan  
CFO

For and on behalf of the Board

Dr. Ron Sommer  
Director

Aarthi Subramanian  
Executive Director

O. P. Bhatt  
Director

P. R. Ramesh  
Partner

Rajesh Gopinathan  
CEO and Managing Director

Ishaat Hussain  
Director

V. Thyagarajan  
Director

Prof. Clayton M Christensen  
Director

Mumbai, April 18, 2017

N. Ganapathy Subramaniam  
COO and Executive Director

Dr. Vijay Kelkar  
Director

Aman Mehta  
Director

Suprakash Mukhopadhyay  
Company Secretary



## Notes forming part of the Financial Statements

### 1) CORPORATE INFORMATION

Tata Consultancy Services Limited (referred to as "TCS Limited" or "the Company") provides consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of delivery centers around the globe. The Company's full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Consulting, Digital Enterprise Services, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON-Small and Medium Businesses, IT Infrastructure Services, IT Services and Platform Solutions.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai - 400001. As at March 31, 2017, Tata Sons Limited, the holding company owned 73.26% of the Company's equity share capital.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on April 18, 2017.

### 2) SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

#### b) Basis of preparation

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

CMC Limited has been amalgamated with the Company with effect from April 1, 2015 in terms of the scheme of amalgamation sanctioned by the High Court of Judicature at Bombay vide its Order dated August 14, 2015 and the High Court of Judicature at Hyderabad vide its Order dated July 20, 2015. All assets and liabilities, income and expense have been included retrospectively in the financial statements of the Company. The difference between the amounts recorded as investments of the Company and the amount of share capital of CMC Limited has been adjusted in the General reserve.

#### c) Use of estimates and judgements

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

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

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

##### *Impairment of investments*

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

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

The Company 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.

## Notes forming part of the Financial Statements

### *Valuation of deferred tax assets*

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2(i).

### *Provisions and contingent liabilities*

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

### **d) Revenue recognition**

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

The Company recognises revenue as follows:

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

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

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

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

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

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

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

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

- e)** Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

### **f) Leases**

#### *Finance lease*

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

#### *Operating lease*

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

## Notes forming part of the Financial Statements

### g) Cost recognition

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

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

### h) Foreign currency

The functional currency of the Company is Indian rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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

#### *Current income taxes*

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company 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.

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

#### *Deferred income taxes*

Deferred income tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of 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 asset 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 tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future

## Notes forming part of the Financial Statements

economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in finance costs.

### j) Financial instruments

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

#### *Cash and cash equivalents*

The Company 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 to collect contractual cash flows and the contractual terms of the financial assets 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 Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

#### *Financial assets at fair value through profit or loss*

Financial assets are measured at fair value through profit or loss unless it is 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 recognised by the Company are recognised at the proceeds received net off direct issue cost.

#### *Hedge accounting*

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

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

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

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

## Notes forming part of the Financial Statements

The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and 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 statement of profit and loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

**k) Investment in subsidiaries**

Investment in subsidiaries are measured at cost less impairment.

**l) Property, plant and equipment**

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

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

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

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

**m) Intangible assets**

Intangible assets purchased are measured at cost as of 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 which are amortised over license period which equates the useful life ranging between 2-5 years on a straight line basis.

**n) Impairment**

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

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**(ii) Non-financial assets**

**Tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost

## Notes forming part of the Financial Statements

to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

### o) Employee benefits

#### (i) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

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

#### (ii) Defined contribution plans

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

#### (iii) Compensated absences

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

### p) Inventories

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

### q) Earnings per share

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

## 3) EXPLANATION OF TRANSITION TO IND AS

The transition as at April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

### Exemptions from retrospective application:

The Company has applied the following exemptions:

#### (a) Investments in subsidiaries, joint ventures and associates

The Company has elected to adopt the carrying value under Previous GAAP as on the date of transition i.e. April 1, 2015 in its separate financial statements.

#### (b) Business combinations

The Company has elected to apply Ind AS 103 - Business Combinations retrospectively to past business combinations from April 1, 2013.



**Reconciliations between Previous GAAP and Ind AS**

**(i) Equity reconciliation**

		(₹ crores)	
	Note	As at March 31, 2016	As at April 1, 2015
As reported under Previous GAAP		58,867	45,416
Adjusted effect of CMC Merger		-	810
<b>Adjusted equity under Previous GAAP</b>		<b>58,867</b>	<b>46,226</b>
Dividend (including dividend tax)	a	6,403	5,724
Depreciation	b	(440)	(537)
Change in fair valuation of investments	c	83	9
Tax adjustments	d	101	133
Others		(1)	(6)
<b>Equity under Ind AS</b>		<b>65,013</b>	<b>51,549</b>

**(ii) Total Comprehensive income reconciliation**

		(₹ crores)	
	Note	2016	
Net profit under Previous GAAP		22,883	
Employee benefits	e	122	
Depreciation	b	97	
Change in fair valuation of investments	c	(3)	
Tax adjustments	d	(28)	
Others		4	
<b>Net profit under Ind AS</b>		<b>23,075</b>	
Other comprehensive income		(132)	
<b>Total comprehensive income under Ind AS</b>		<b>22,943</b>	

**(iii) Reconciliation of Statement of Cash Flow**

There are no material adjustments to the Statements of Cash Flows as reported under the Previous GAAP.

**Notes to reconciliations between Previous GAAP and Ind AS**

**(a) Dividend (including dividend tax)**

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the year in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as a liability in the year to which it relates. This has resulted in an increase in equity by ₹ 6,403 crores and ₹ 5,724 crores (including dividend declared by CMC Limited) as at March 31, 2016 and April 1, 2015 respectively.

**(b) Depreciation**

In April 2014, the Company revised its method of depreciation from written down value to straight-line basis. This change in method was retrospectively adjusted in accordance with Previous GAAP. Under Ind AS, the Company has elected to apply Ind AS 16 - Property, plant and equipment from the date of acquisition of property, plant and equipment and accordingly the change in method has been prospectively applied as a change in estimate. This has resulted in a decline in equity under Ind AS by ₹ 440 crores, and ₹ 537 crores as at March 31, 2016, and as at April 1, 2015 respectively, and increase in net profit by ₹ 97 crores for the year ended March 31, 2016.

## Notes forming part of the Financial Statements

### (c) Fair valuation of investments

Under Previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary, under Ind AS Financial assets other than amortised cost are subsequently measured at fair value.

The Company holds investment in government securities with the objective of both collecting contractual cash flows which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Company has also made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading. This has resulted in increase in investment revaluation reserve by ₹ 82 crores, and increase in investment revaluation reserve by ₹ 4 crores as at March 31, 2016 and April 1, 2015 respectively.

Investment in mutual funds have been classified as fair value through statement of profit and loss and changes in fair value are recognised in statement of profit and loss. This has resulted in increase in retained earnings of ₹ 1 crore, and ₹ 5 crores as at March 31, 2016 and April 1, 2015 respectively, increase in net profit by ₹ 3 crores for the year ended March 31, 2016.

### (d) Tax adjustments

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS. These adjustments have resulted in an increase in equity under Ind AS by ₹ 101 crores and ₹ 133 crores as at March 31, 2016, and April 1, 2015 respectively and decrease in net profit by ₹ 28 crores for the year ended March 31, 2016.

### (e) Employee benefits

Under Previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability/asset which is recognised in other comprehensive income in the respective years'. This difference has resulted in increase in net profit of ₹ 122 crores for the year ended March 31, 2016. However, the same does not result in difference in equity or total comprehensive income.

**Notes forming part of the Financial Statements**
**4) PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following:

(₹ crores)

Description	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipments	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2016	327	6,044	1,288	320	4,649	31	1,840	1,501	1,122	17,122
Additions	-	596	133	72	607	2	119	106	104	1,739
Disposals	-	(3)	(9)	-	(126)	(2)	(16)	(6)	(18)	(180)
Cost as at March 31, 2017	327	6,637	1,412	392	5,130	31	1,943	1,601	1,208	18,681
Accumulated depreciation as at April 1, 2016	-	(1,119)	(753)	(38)	(3,509)	(19)	(1,191)	(643)	(794)	(8,066)
Depreciation for the year	-	(328)	(118)	(35)	(611)	(5)	(225)	(140)	(106)	(1,568)
Disposals	-	3	9	-	115	2	15	5	18	167
Accumulated depreciation as at March 31, 2017	-	(1,444)	(862)	(73)	(4,005)	(22)	(1,401)	(778)	(882)	(9,467)
Net carrying amount as at March 31, 2017	327	5,193	550	319	1,125	9	542	823	326	9,214

(₹ crores)

Description	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipments	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2015	327	4,762	1,187	127	4,204	27	1,624	1,183	976	14,417
Additions	-	1,283	115	193	567	8	227	326	161	2,880
Disposals	-	(1)	(14)	-	(122)	(4)	(11)	(8)	(15)	(175)
Cost as at March 31, 2016	327	6,044	1,288	320	4,649	31	1,840	1,501	1,122	17,122
Accumulated depreciation as at April 1, 2015	-	(841)	(634)	(16)	(3,053)	(19)	(977)	(524)	(724)	(6,788)
Depreciation for the year	-	(279)	(133)	(22)	(578)	(4)	(225)	(126)	(85)	(1,452)
Disposals	-	1	14	-	122	4	11	7	15	174
Accumulated depreciation as at March 31, 2016	-	(1,119)	(753)	(38)	(3,509)	(19)	(1,191)	(643)	(794)	(8,066)
Net carrying amount as at March 31, 2016	327	4,925	535	282	1,140	12	649	858	328	9,056
Net carrying amount as at April 1, 2015	327	3,921	553	111	1,151	8	647	659	252	7,629

- (i) Buildings include ₹ 3 crores (March 31, 2016 : ₹ 3 crores) (April 1, 2015 : ₹ 3 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- (ii) Net book value of computer equipment of ₹ 1 crore (March 31, 2016 : ₹ 6 crores) (April 1, 2015 : ₹ 18 crores) and leasehold improvements of ₹ 36 crores (March 31, 2016 : ₹ 46 crores) (April 1, 2015 : ₹ 57 crores) are under finance lease.
- (iii) Legal formalities relating to conveyance of freehold buildings having net book value ₹ Nil (March 31, 2016 : ₹ \* crores) (April 1, 2015 : ₹ 5 crores) are pending completion.

\*represents values less than ₹ 0.50 crore.

## Notes forming part of the Financial Statements

### 5) INTANGIBLE ASSETS

Intangible assets consist of the following:

(₹ crores)

**Description**

Cost as at April 1, 2016

Additions

Disposals

Cost as at March 31, 2017

Accumulated amortisation as at April 1, 2016

Amortisation for the year

Disposals

Accumulated amortisation as at March 31, 2017

Net carrying amount as at March 31, 2017

Rights under licensing agreement and software licenses
129
-
(61)
68
(105)
(7)
61
(51)
17

(₹ crores)

**Description**

Cost as at April 1, 2015

Additions

Disposals

Cost as at March 31, 2016

Accumulated amortisation as at April 1, 2015

Amortisation for the year

Disposals

Accumulated amortisation as at March 31, 2016

Net carrying amount as at March 31, 2016

Net carrying amount as at April 1, 2015

Rights under licensing agreement and software licenses
129
-
-
129
(98)
(7)
-
(105)
24
31

The estimated amortisation for each of the five years subsequent to March 31, 2017 is follows:

(₹ crores)

**Year ending March 31,**

2018

2019

2020

Amortisation expense
7
7
3
17

**Notes forming part of the Financial Statements**
**6) INVESTMENTS**

Investments consist of the following:

**(i) Investments - Non-current**

(₹ crores)

<b>(A) Investments carried at cost</b>			
<b>(a) Subsidiary companies</b>			
Fully paid equity shares (unquoted)	2,124	2,124	2,225
<b>(B) Investments carried at fair value through profit or loss</b>			
Mutual and other funds (unquoted)	55	58	7
<b>(C) Investments carried at fair value through OCI</b>			
Fully paid equity shares (quoted)	-	-	4
Fully paid equity shares (unquoted)	22	47	47
	<b>2,201</b>	<b>2,229</b>	<b>2,283</b>

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	2,124	2,124	2,225
	55	58	7
	-	-	4
	22	47	47
	<b>2,201</b>	<b>2,229</b>	<b>2,283</b>

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

**(ii) Investments - Current**

(₹ crores)

<b>(A) Investment carried at amortised cost</b>			
Certificate of deposits (unquoted)	-	491	-
<b>(B) Investment carried at fair value through profit or loss</b>			
Mutual and other funds (unquoted)	18,730	1,185	971
<b>(C) Investment carried at fair value through OCI</b>			
Government securities (quoted)	21,999	20,254	-
	<b>40,729</b>	<b>21,930</b>	<b>971</b>

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	-	491	-
	18,730	1,185	971
	21,999	20,254	-
	<b>40,729</b>	<b>21,930</b>	<b>971</b>

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

Details of investment in subsidiaries is as follows:

(₹ crores)

<b>Fully paid equity shares (unquoted)</b>			
TCS Iberoamerica SA	461	461	461
APTOnline Limited	-	-	-
Tata Consultancy Services Belgium S.A.	1	1	1
Tata Consultancy Services Netherlands BV	403	403	403
Tata Consultancy Services Sverige AB	19	19	19
Tata Consultancy Services Deutschland GmbH	2	2	2
Tata America International Corporation	453	453	453
Tata Consultancy Services Asia Pacific Pte Ltd.	19	19	19
TCS FNS Pty Limited	212	212	212
Diligenta Limited	429	429	530
Tata Consultancy Services Canada Inc.	31	31	31
C-Edge Technologies Limited	5	5	5
MP Online Limited	1	1	1
Tata Consultancy Services (Africa) (PTY) Ltd.	66	66	66
MahaOnline Limited	2	2	2
Tata Consultancy Services Qatar S.S.C.	2	2	2
CMC Americas Inc.	8	8	8
TCS e-Serve International Limited	10	10	10
TCS Foundation	-	-	-
	<b>2,124</b>	<b>2,124</b>	<b>2,225</b>

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	461	461	461
	-	-	-
	1	1	1
	403	403	403
	19	19	19
	2	2	2
	453	453	453
	19	19	19
	212	212	212
	429	429	530
	31	31	31
	5	5	5
	1	1	1
	66	66	66
	2	2	2
	2	2	2
	8	8	8
	10	10	10
	-	-	-
	<b>2,124</b>	<b>2,124</b>	<b>2,225</b>

## Notes forming part of the Financial Statements

### 7) LOANS

Loans (unsecured) consist of the following:

#### (i) Long-term loans

(₹ crores)

Considered good

- (i) Loans and advances to employees
- (ii) Loans to related parties
- (iii) Inter-corporate deposits

As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
6	7	9
-	-	6
-	2,425	1,572
<u>6</u>	<u>2,432</u>	<u>1,587</u>
-	-	6

Loans to related parties, considered good, comprise:

TCS FNS Pty Limited

#### (ii) Short-term loans

(₹ crores)

(a) Considered good

- (i) Loans and advances to employees
- (ii) Inter-corporate deposits

(b) Considered doubtful

- (i) Loans and advances to employees
- Less: Allowance for loans and advances to employees

As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
279	951	274
2,425	1,572	1,063
56	55	50
(56)	(55)	(50)
<u>2,704</u>	<u>2,523</u>	<u>1,337</u>

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

### 8) OTHER FINANCIAL ASSETS

Other financial assets consist of the following:

#### (i) Non-current financial assets

(₹ crores)

- (a) Interest receivable
- (b) Long-term bank deposits
- (c) Security deposits
- (d) Earmarked balances with banks

As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
-	73	24
-	415	500
638	606	556
-	85	-
<u>638</u>	<u>1,179</u>	<u>1,080</u>

#### (ii) Current financial assets

(₹ crores)

- (a) Interest receivable
- (b) Fair value of foreign exchange forward and currency option contracts
- (c) Security deposits
- (d) Others

As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
697	187	340
572	537	365
119	118	110
30	24	69
<u>1,418</u>	<u>866</u>	<u>884</u>



**Notes forming part of the Financial Statements**
**9) INCOME TAXES**

The income tax expense consists of the following:

	(₹ crores)	
	2017	2016
<b>Current tax:</b>		
Current tax expense for current year	6,762	6,344
Current tax expense / (benefit) pertaining to prior years	(119)	32
	<u>6,643</u>	<u>6,376</u>
Deferred tax benefit	(230)	(112)
<b>Total income tax expense recognised in the current year</b>	<u>6,413</u>	<u>6,264</u>

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

	Year ended March 31, 2017	Year ended March 31, 2016
Profit before income taxes	30,066	29,339
Indian statutory income tax rate	34.61%	34.61%
Expected income tax expense	10,406	10,154
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Tax holidays	(4,134)	(4,468)
Income exempt from tax	(27)	(34)
Undistributed earnings in branches and subsidiaries	(60)	90
Tax on income at different rates	166	285
Tax pertaining to prior years	(218)	32
Others (net)	280	205
<b>Total income tax expense</b>	<u>6,413</u>	<u>6,264</u>

The Company 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 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, 2017 are as follows:

	(₹ crores)			
	Opening balance	Recognised / reversed through profit and loss	Recognised in/ reclassified from other comprehensive income	Closing balance
<b>Deferred tax assets/ (liabilities) in relation to:</b>				
Property, plant and equipment and Intangible assets	(22)	(62)	-	(84)
Provision for employee benefits	238	58	-	296
Cash flow hedges	(7)	-	(5)	(12)
Receivables, loans and advances	183	22	-	205
MAT credit entitlement	1,960	102	-	2,062
Branch profit tax	(346)	60	-	(286)
Unrealised gain / loss on securities carried at fair value through statement of profit and loss / OCI	(27)	(2)	(256)	(285)
Others	185	52	-	237
<b>Net deferred tax assets / (liabilities)</b>	<u>2,164</u>	<u>230</u>	<u>(261)</u>	<u>2,133</u>

## Notes forming part of the Financial Statements

Gross deferred tax assets and liabilities are as follows:

	(₹ crores)		
As at March 31, 2017	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to:</b>			
Property, plant and equipment and Intangible assets	(56)	(28)	(84)
Provision for employee benefits	296	-	296
Cash flow hedges	(12)	-	(12)
Receivables, loans and advances	205	-	205
MAT credit entitlement	2,062	-	2,062
Branch profit tax	-	(286)	(286)
Unrealised gain / loss on securities carried at fair value through statement of profit and loss / OCI	(285)	-	(285)
Others	237	-	237
<b>Net deferred tax assets / (liabilities)</b>	<b>2,447</b>	<b>(314)</b>	<b>2,133</b>

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

	(₹ crores)			
Deferred tax assets/ (liabilities) in relation to:	Opening balance	Recognised / reversed through profit and loss	Recognised in/ reclassified from other comprehensive income	Closing balance
Property, plant and equipment and Intangible assets	(27)	5	-	(22)
Provision for employee benefits	198	26	14	238
Cash flow hedges	(20)	-	13	(7)
Receivables, loans and advances	142	41	-	183
MAT credit entitlement	1,871	89	-	1,960
Branch profit tax	(256)	(90)	-	(346)
Unrealised gain / loss on securities carried at fair value through statement of profit and loss / OCI	(4)	1	(24)	(27)
Others	145	40	-	185
<b>Net deferred tax assets / (liabilities)</b>	<b>2,049</b>	<b>112</b>	<b>3</b>	<b>2,164</b>

Gross deferred tax assets and liabilities are as follows:

	(₹ crores)		
As at March 31, 2016	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to:</b>			
Property, plant and equipment and Intangible assets	(2)	(20)	(22)
Provision for employee benefits	238	-	238
Cash flow hedges	(7)	-	(7)
Receivables, loans and advances	183	-	183
MAT credit entitlement	1,960	-	1,960
Branch profit tax	-	(346)	(346)
Unrealised gain / loss on securities carried at fair value through statement of profit and loss / OCI	(27)	-	(27)
Others	185	-	185
<b>Net deferred tax assets / (liabilities)</b>	<b>2,530</b>	<b>(366)</b>	<b>2,164</b>

Notes forming part of the Financial Statements

(₹ crores)

As at April 1, 2015

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

Property, plant and equipment and Intangible assets  
Provision for employee benefits  
Cash flow hedges  
Receivables, loans and advances  
MAT credit entitlement  
Branch profit tax  
Unrealised gain / loss on securities carried  
at fair value through statement of profit and loss / OCI  
Others

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

	Assets	Liabilities	Net
Property, plant and equipment and Intangible assets	(11)	(16)	(27)
Provision for employee benefits	198	-	198
Cash flow hedges	(20)	-	(20)
Receivables, loans and advances	142	-	142
MAT credit entitlement	1,871	-	1,871
Branch profit tax	-	(256)	(256)
Unrealised gain / loss on securities carried at fair value through statement of profit and loss / OCI	(4)	-	(4)
Others	145	-	145
<b>Net deferred tax assets / (liabilities)</b>	<b>2,321</b>	<b>(272)</b>	<b>2,049</b>

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. Accordingly, the Company has recognised a deferred tax asset of ₹ 2,062 crores and has not recognised a deferred tax asset of ₹ 1,108 crores as at March 31, 2017.

The Company has ongoing disputes with Income Tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company as deductions, and computation of, or eligibility of, certain tax incentives or allowances. As at March 31, 2017, the Company has contingent liability in respect of demands from direct tax authorities in India, which are being contested by the Company on appeal amounting ₹ 2,688 crores. In respect of tax contingencies of ₹ 318 crores, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions it operates in. The Company 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 2014 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2013 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2014 and earlier.

**10) OTHER ASSETS**

Other assets consist of the following:

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

(₹ crores)

Considered good

(a) Capital advances  
(b) Advances to related parties  
(c) Prepaid expenses  
(d) Prepaid rent  
(e) Indirect taxes recoverable  
(f) Others

Advances to related parties, considered good, comprise:

Voltas Limited

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Capital advances	142	148	167
(b) Advances to related parties	6	-	-
(c) Prepaid expenses	191	311	362
(d) Prepaid rent	228	235	241
(e) Indirect taxes recoverable	4	4	49
(f) Others	8	22	24
	<b>579</b>	<b>720</b>	<b>843</b>
Advances to related parties, considered good, comprise:			
Voltas Limited	6	-	-

## Notes forming part of the Financial Statements

### (ii) Other current assets

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Considered good			
(a) Prepaid expense	1,118	993	1,151
(b) Advance to suppliers	148	211	67
(c) Advance to related parties	1	8	12
(d) Indirect taxes recoverable	262	139	165
(e) Other advances	13	77	47
(f) Other current assets	5	45	61
(ii) Considered doubtful			
(a) Advance to suppliers	3	3	5
(b) Indirect taxes recoverable	2	2	2
(c) Other advances	3	3	2
Less : Allowance for doubtful advances	(8)	(8)	(9)
	<u>1,547</u>	<u>1,473</u>	<u>1,503</u>
Advances to related parties, considered good, comprise:			
TCS FNS Pty Limited	-	3	5
Tata Consultancy Services (Africa) (PTY) Limited	-	-	1
TCS e-Serve International Limited	-	1	-
C-Edge Technologies Limited	-	3	6
Taj Air Limited	-	1	-
The Titan Company Limited	1	-	-

### 11) INVENTORIES

Inventories consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Raw materials, sub-assemblies and components	19	9	10
(b) Finished goods and work-in-progress	1	-	3
(c) Goods-in-transit (raw materials)	1	-	2
	<u>21</u>	<u>9</u>	<u>15</u>

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

### 12) TRADE RECEIVABLES

Trade receivables (unsecured) consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Considered good	16,649	19,058	17,392
(b) Considered doubtful	571	495	382
	<u>17,220</u>	<u>19,553</u>	<u>17,774</u>
Less: Allowance for doubtful receivables	(571)	(495)	(382)
	<u>16,649</u>	<u>19,058</u>	<u>17,392</u>

In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

**Notes forming part of the Financial Statements**
**13) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Balances with banks			
In current accounts	724	513	322
In deposit accounts	-	2,648	86
(ii) Cheques on hand	5	24	51
(iii) Cash on hand	1	1	1
(iv) Remittances in transit	60	1,197	1
	<u>790</u>	<u>4,383</u>	<u>461</u>

**SPECIFIED BANK NOTES DISCLOSURE (SBNs)**

In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

(₹)

**Particulars**

Closing cash on hand as on November 8, 2016

(+) Non Permitted receipts

(+) Permitted receipts

(-) Permitted payments

(-) Amounts deposited in Banks

Closing cash on hand as on December 30, 2016

	SBNs	ODNs	Total
Closing cash on hand as on November 8, 2016	4,11,000	2,83,599	6,94,599
(+) Non Permitted receipts	-	-	-
(+) Permitted receipts	-	2,59,577	2,59,577
(-) Permitted payments	-	(3,01,379)	(3,01,379)
(-) Amounts deposited in Banks	(4,11,000)	(1,66,118)	(5,77,118)
Closing cash on hand as on December 30, 2016	<u>-</u>	<u>75,679</u>	<u>75,679</u>

**14) OTHER BALANCES WITH BANKS**

Other bank balances consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Earmarked balances with banks	111	423	71
(ii) Short-term bank deposits	415	-	16,003
	<u>526</u>	<u>423</u>	<u>16,074</u>

Earmarked balances with banks significantly pertains to unclaimed dividends and margin money for derivative contracts.

**15) SHARE CAPITAL**

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares and redeemable preference shares having a par value of ₹ 1 each as follows:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Authorised</b>			
(i) 460,05,00,000 equity shares of ₹ 1 each (March 31, 2016 : 460,05,00,000 equity shares of ₹ 1 each) (April 1, 2015 : 420,05,00,000 equity shares of ₹ 1 each)	460	460	420
(ii) 105,02,50,000 preference shares of ₹ 1 each (March 31, 2016 : 105,02,50,000 preference shares of ₹ 1 each) (April 1, 2015 : 105,02,50,000 preference shares of ₹ 1 each)	105	105	105
	<u>565</u>	<u>565</u>	<u>525</u>
<b>Issued, Subscribed and Fully paid up</b>			
(i) 197,04,27,941 equity shares of ₹ 1 each (March 31, 2016 : 197,04,27,941 equity shares of ₹ 1 each) (April 1, 2015 : 195,87,27,979 equity shares of ₹ 1 each)	197	197	196
(ii) Potential equity shares to be issued to non-controlling shareholders of CMC Limited	-	-	1
	<u>197</u>	<u>197</u>	<u>197</u>

## Notes forming part of the Financial Statements

The authorised equity share capital was increased to 460,05,00,000 equity shares of ₹ 1 each pursuant to the amalgamation of its subsidiaries, WTI Advanced Technology Limited vide the Order dated March 27, 2015 of the High Court of Judicature at Bombay and CMC Limited, vide the Order dated August 14, 2015 of the High Court of Judicature at Bombay and vide the Order dated July 20, 2015 of the High Court of Judicature at Hyderabad.

The Board of Directors of the Company, at its meeting held on February 20, 2017 has approved a proposal to buy-back up to 5,61,40,351 equity shares (Five crore sixty one lakh forty thousand three hundred and fifty one only) of the Company for an aggregate amount not exceeding ₹ 16,000 crore, being 2.85% of the total paid up equity share capital at ₹ 2,850 per equity share. The shareholders of the Company have approved the scheme of buyback of shares through postal ballot on April 17, 2017.

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

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount (₹ crores)	Number of shares	Amount (₹ crores)
<b>Equity shares</b>				
Opening balance	197,04,27,941	197	195,87,27,979	196
Issued during the year	-	-	1,16,99,962	1
Closing balance	<u>197,04,27,941</u>	<u>197</u>	<u>197,04,27,941</u>	<u>197</u>

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

**Equity shares**

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

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

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity shares</b>			
<b>Holding Company</b>			
144,34,51,698 equity shares (March 31, 2016 : 144,34,51,698 equity shares; April 1, 2015 : 144,34,51,698 equity shares) are held by Tata Sons Limited	144	144	144
<b>Subsidiaries and Associates of Holding Company</b>			
3700 equity shares (March 31, 2016 : 3,63,700 equity shares; April 1, 2015 : 10,29,700 equity shares) are held by Tata Industries Limited*	-	-	-
8,57,301 equity shares (March 31, 2016 : 9,55,273 equity shares; April 1, 2015 : Nil equity shares) are held by Tata AIA Life Insurance Company Limited*	-	-	-
5,50,000 equity shares (March 31, 2016 : 5,90,452 equity shares; April 1, 2015 : 5,90,452 equity shares) are held by Tata Investment Corporation Limited*	-	-	-
Nil equity shares (March 31, 2016 : Nil equity shares; April 1, 2015 : 200 equity shares) are held by Tata Capital Limited*	-	-	-
Nil equity shares (March 31, 2016 : 83,232 equity shares; April 1, 2015: 83,232 equity shares) are held by Tata International Limited*	-	-	-
24,400 equity shares (March 31, 2016 : 24,400 equity shares; April 1, 2015: 24,400 equity shares) are held by Tata Steel Limited*	-	-	-
452 equity shares (March 31, 2016 : 452 equity shares; April 1, 2015 : 452 equity shares) are held by The Tata Power Company Limited*	-	-	-
484,902 equity shares (March 31, 2016 : 611,352 equity shares; April 1, 2015 : 633,352 equity shares) are held by AF-taab Investment Company Limited*	-	-	-
<b>Total</b>	<u>144</u>	<u>144</u>	<u>144</u>

\*Equity shares having value less than ₹ 0.50 crore.



**Notes forming part of the Financial Statements**
**(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity shares</b>			
Tata Sons Limited, the Holding company	144,34,51,698	144,34,51,698	144,34,51,698
	73.26%	73.26%	73.69%

**(v) Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2016) including equity shares issued pursuant to contract without payment being received in cash**

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

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

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

Other equity consist of the following:

	As at March 31, 2017	As at March 31, 2016
(₹ crores)		
(a) Capital reserve	-	-
(b) Securities premium	1,919	1,919
(c) Capital redemption reserve	100	100
(d) General reserve		
(i) Opening balance	9,118	6,830
(ii) Transferred from retained earnings	-	2,288
	9,118	9,118
(e) Special Economic Zone re-investment reserve		
(i) Opening balance	-	-
(ii) Transfer from retained earnings	376	-
(iii) Transfer to retained earnings on utilisation	(279)	-
	97	-
(f) Retained earnings		
(i) Opening balance	53,576	42,370
(ii) Realised (losses) / gains on equity shares carried at fair value through OCI	(20)	5
(iii) Transfer from Special Economic Zone re-investment reserve	279	-
(iv) Remeasurement of defined employee benefit plans (net of taxes)	(200)	(107)
(v) Profit for the year	23,653	23,075
	77,288	65,343
Less : Appropriations		
(a) Dividend on equity shares	9,162	7,993
(b) Tax on dividend	1,785	1,486
(c) Transferred to Special Economic Zone re-investment reserve	376	-
(d) Transferred to General reserve	-	2,288
	65,965	53,576

## Notes forming part of the Financial Statements

(₹ crores)

- (g) Investment revaluation reserve
- (i) Opening balance
- (ii) Addition during the year (net) (Refer note below)
- (h) Cash flow hedging reserve (Refer note 28)
- (i) Opening balance
- (ii) Addition / (deduction) during the year (net)

	As at March 31, 2017	As at March 31, 2016
	54	3
	484	51
	<u>538</u>	<u>54</u>
	49	130
	39	(81)
	<u>88</u>	<u>49</u>
	<u>77,825</u>	<u>64,816</u>

### Movement in Investment Revaluation Reserve

(₹ crores)

- Net gains / (losses) arising on revaluation of financial assets carried at fair value
- Deferred tax relating to gains / (losses) arising on revaluation of financial assets carried at fair value
- Cumulative (gains) / losses reclassified to retained earnings on sale of financial assets carried at fair value
- Deferred tax relating to cumulative (gains) / losses reclassified to profit and loss on sale of financial assets carried at fair value
- Net gains / (losses) arising on revaluation of investments other than equities carried at fair value through other comprehensive income
- Deferred tax relating to gains / (losses) arising on revaluation of investments other than equities carried at fair value through other comprehensive income
- Cumulative (gains) / losses reclassified to statement of profit and loss on sale of investments other than equities carried at fair value
- Deferred tax relating to cumulative (gains) / losses reclassified to statement of profit and loss on sale of investments other than equities carried at fair value

	As at March 31, 2017	As at March 31, 2016
	(20)	1
	-	(1)
	20	(5)
	-	2
	740	138
	(256)	(48)
	-	(56)
	-	20
	<u>484</u>	<u>51</u>

### Nature of reserves

**(a) Capital reserve**

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

**(b) Securities premium**

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

**(c) General reserve**

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

**Notes forming part of the Financial Statements**
**(c) Investment revaluation reserve**

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

**(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. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non financial hedged item.

**17) BORROWINGS**

Borrowings consist of the following:

**(i) Long-term borrowings**

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Secured loans			
Long-term maturities of obligations under finance lease	44	50	64
(b) Unsecured loans			
Borrowings from entity other than banks	-	-	1
	<u>44</u>	<u>50</u>	<u>65</u>

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

**(ii) Short-term borrowings**

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Secured loans			
Overdraft from banks	-	112	-
(b) Unsecured loans			
Overdraft from banks	200	1	186
	<u>200</u>	<u>113</u>	<u>186</u>

Secured overdraft from banks are secured against trade receivables.

**18) OTHER FINANCIAL LIABILITIES**

Other financial liabilities consist of the following:

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

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Capital creditors	17	62	68
(b) Others	228	231	343
	<u>245</u>	<u>293</u>	<u>411</u>

Others include advance taxes paid of ₹ 227 crores (March 31, 2016: ₹ 230 crores) (April 1, 2015: ₹ 333 crores) by the seller of TCS e-serve Limited which, on refund by the tax authorities, is payable to the seller.

## Notes forming part of the Financial Statements

### (ii) Other current financial liabilities

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Current maturities of obligations under finance lease	6	15	22
(b) Unclaimed dividends	25	21	20
(c) Fair value of foreign exchange forward and currency option contracts	20	152	20
(d) Capital creditors	272	306	305
(e) Liabilities for cost related to customer contracts	834	736	616
(f) Liabilities for purchase of government securities	-	805	-
(g) Others	105	48	18
	<u>1,262</u>	<u>2,083</u>	<u>1,001</u>

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

### 19) PROVISIONS

Provisions consist of the following:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) <b>Non-current provisions</b>			
Provision for foreseeable loss on a long-term contract	39	40	94
	<u>39</u>	<u>40</u>	<u>94</u>
(ii) <b>Current provisions</b>			
Provision for foreseeable loss on a long-term contract	66	115	103
	<u>66</u>	<u>115</u>	<u>103</u>

### 20) OTHER LIABILITIES

Other liabilities consist of the following:

#### (i) Other non-current liabilities

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Operating lease liabilities	330	298	271
(b) Others	-	-	10
	<u>330</u>	<u>298</u>	<u>281</u>

#### (ii) Other current liabilities

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Advance received from customers	49	39	31
(b) Indirect tax payable and other statutory liabilities	629	743	579
(c) Operating lease liabilities	49	67	46
(d) Others	24	11	8
	<u>751</u>	<u>860</u>	<u>664</u>

**Notes forming part of the Financial Statements**
**21) OTHER INCOME (NET)**

Other income (net) consist of the following:

	(₹ crores)	
	2017	2016
(a) Interest income	2,216	1,695
(b) Dividend income	394	705
(c) Net gain on investments carried at fair value through statement of profit and loss	596	395
(d) Net gain on investments other than equity shares carried at fair value through OCI	-	56
(e) Net gain on disposal of property, plant and equipment	6	5
(f) Net foreign exchange gains	1,303	807
(g) Rent income	5	3
(h) Miscellaneous income	48	91
	<b>4,568</b>	<b>3,757</b>
<b>Interest income comprise:</b>		
Interest on bank and bank deposits	94	1,432
Interest income on financial assets carried at amortised cost	390	225
Interest income on financial assets carried at fair value through OCI	1,598	32
Other interest (including interest on income tax refunds)	134	6
<b>Dividend income comprise:</b>		
Dividends from subsidiaries	394	696
Dividends from mutual funds	-	9
<b>Net foreign exchange gains include:</b>		
Gain / (loss) (net) on foreign exchange forward and currency option contracts transferred from Cash Flow Hedging Reserve (Refer note 28)	508	5

**22) EMPLOYEE BENEFIT EXPENSE**

Employee benefit expense consist of the following:

	(₹ crores)	
	2017	2016
(a) Salaries, incentives and allowances	43,876	38,708
(b) Contributions to provident and other funds	2,984	2,710
(c) Staff welfare expenses	1,256	1,002
	<b>48,116</b>	<b>42,420</b>

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

The Company provides to the eligible employees defined benefit plans such as gratuity and pension plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

## Notes forming part of the Financial Statements

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

(₹ crores)

	As at March 31, 2017	As at March 31, 2016
<b>Change in benefit obligations:</b>		
Benefit obligations, beginning of the year	1,632	1,264
Plans assumed on acquisitions	-	31
Service cost	241	201
Interest cost	138	105
Remeasurement of the net defined benefit liability	200	149
Past service cost / (credit)	-	13
Benefits paid	(128)	(131)
<b>Benefit obligations, end of the year</b>	<b>2,083</b>	<b>1,632</b>

(₹ crores)

	As at March 31, 2017	As at March 31, 2016
<b>Change in plan assets:</b>		
Fair value of plan assets, beginning of the year	1,746	1,442
Plans assumed on acquisitions	-	10
Interest income	145	116
Employer's contributions	393	282
Benefits paid	(128)	(131)
Remeasurement - return on plan assets excluding amount included in interest income	-	27
<b>Fair value of plan assets, end of the year</b>	<b>2,156</b>	<b>1,746</b>

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Funded status:</b>			
Deficit of plan assets over obligations	-	-	-
Surplus of plan assets over obligations	73	114	178
	<b>73</b>	<b>114</b>	<b>178</b>

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Category of assets:</b>			
Corporate bonds	731	312	175
Equity shares	95	43	-
Government securities	621	500	266
Insurer managed funds	691	736	738
Bank balances	3	97	217
Others	15	58	46
<b>Total</b>	<b>2,156</b>	<b>1,746</b>	<b>1,442</b>



**Notes forming part of the Financial Statements**

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

	(₹ crores)	
	2017	2016
Service cost	241	201
Net interest on net defined benefit (asset) / liability	(7)	(11)
Past service cost / (credit)	-	13
<b>Net periodic gratuity cost</b>	<b>234</b>	<b>203</b>
<b>Actual return on plan assets</b>	<b>145</b>	<b>143</b>

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

	(₹ crores)	
	As at March 31, 2017	As at March 31, 2016
Actuarial (gains) and losses arising from changes in demographic assumptions	(2)	13
Actuarial (gains) and losses arising from changes in financial assumptions	71	60
Actuarial (gains) and losses arising from changes in experience adjustments	131	76
Remeasurement of the net defined benefit liability	200	149
Remeasurement - return on plan assets excluding amount included in interest income*	-	27
<b>Total</b>	<b>200</b>	<b>122</b>

\*Values less than ₹0.50 crore.

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.25%	7.75%	8.00%
Rate of increase in compensation levels of covered employees	6.00%	6.00%	6.00%
Rate of return on plan assets	7.25%	7.75%	8.00%
Weighted average duration of defined benefit obligations	8	8	9

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2017. The Company is expected to contribute ₹ 189 crores to defined benefit plan obligations funds for the year ending March 31, 2018.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.50%, the defined benefit obligations would decrease by ₹ 71 crores (increase by ₹ 76 crores) as at March 31, 2017.

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by ₹ 77 crores (decrease by ₹ 73 crores) as at March 31, 2017.

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

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

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

## Notes forming part of the Financial Statements

The defined benefit obligations shall mature after year ended March 31, 2017 as follows:

Year ending March 31,	(₹ crores)
2018	205
2019	195
2020	201
2021	198
2022	192
Thereafter	887

### Defined contribution plans

#### Superannuation

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

The Company contributed ₹ 221 crores and ₹ 193 crores to the Employees' Superannuation Fund for the year ended March 31, 2017 and March 31, 2016, respectively.

#### Provident fund

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. The Company contributes as specified under the law to the Provident Fund where set up as a trust and to the respective Regional Provident Fund Commissioner. The Company contributes to the Provident Fund where set up as a trust are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contributions and shortfall, if any, as an expense in the year incurred. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

The Company contributed ₹ 756 crores and ₹ 658 crores to the provident fund during the year ended March 31, 2017 and March 31, 2016, respectively.

#### Foreign Defined Contribution Plan

The Company contributed ₹ 304 crores and ₹ 335 crores during the year ended March 31, 2017 and March 31, 2016, respectively, towards foreign defined contribution plan.

## 23) OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

	(₹ crores)	
	2017	2016
(a) Fees to external consultants	6,566	5,978
(b) Facility running expenses	2,783	2,527
(c) Cost of equipment and software licenses	1,758	1,731
(d) Travel expenses	2,181	2,031
(e) Communication expenses	701	689
(f) Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	107	119
(g) Other expenses	3,392	3,315
	<u>17,488</u>	<u>16,390</u>
Cost of equipment and software licenses include:		
Material costs		
(a) Raw materials, sub-assemblies and components consumed	94	39
(b) Opening stock:		
Finished goods and work-in-progress	-	1
(c) Less: Closing stock:		
Finished goods and work-in-progress	1	-
	<u>(1)</u>	<u>1</u>
	<u>93</u>	<u>40</u>

**Notes forming part of the Financial Statements**

- 24) Research and development expenditure aggregating ₹ 282 crores (Previous year: ₹ 232 crores), including capital expenditure was incurred during the year.
- 25) During the year, the Company has incurred an amount of ₹ 380 crores (Previous year: ₹ 294 crores) towards Corporate Social Responsibility expenditure.
- 26) **FINANCE COSTS (at effective interest rate)**

Finance costs consist of the following:

	(₹ crores)	
	2017	2016
Interest expenses	16	13
	16	13

**27) MERGER OF CMC LIMITED**
**a) Nature of business**

CMC Limited is engaged in the design, development and implementation of software technologies and applications, providing professional services in India and overseas and procurement, installation, commissioning, warranty and maintenance of imported / indigenous computer and networking systems, and in education and training. The Company holds 51.12% of the voting power of CMC Limited.

- b) CMC Limited has been amalgamated with the Company with effect from April 1, 2015 ('appointed date') in terms of the scheme of amalgamation ('the Scheme') sanctioned by the High Court of Judicature at Bombay vide its Order dated August 14, 2015 and the High Court of Judicature at Hyderabad vide its Order dated July 20, 2015. The Scheme came into effect on April 1, 2015 and pursuant thereto all assets, unbilled revenue, debts, outstandings, credits, liabilities, benefits under income tax, service tax, excise, value added tax, sales tax (including deferment of sales tax), benefits for and under Software Technology Parks of India ('STPI') and Special Economic Zone ('SEZ'), duties and obligations of the CMC Limited, have been transferred to and vested in the Company retrospectively with effect from April 1, 2015.

Pursuant to the Scheme coming into effect, all the equity shares held by the Company in CMC Limited shall stand automatically cancelled and remaining shareholders of CMC Limited holding fully paid equity shares shall be allotted 79 shares of ₹ 1 each in the Company, credited as fully paid-up, for every 100 shares of ₹ 10 each fully paid-up held in the share capital of CMC Limited by adjusting the General reserve.

- c) The assets, liabilities and reserves of CMC Limited as at April 1, 2015 have been taken over at their carrying values since the entities are under common control.

**28) FINANCIAL INSTRUMENTS**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(i) to the financial statements.

**(a) Financial assets and liabilities**

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

	(₹ crores)					
	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Derivative instruments in hedging relationship (CFH)	Derivative instruments not in hedging relationship (NDH)	Amortised cost	Total carrying value
<b>Financial Assets:</b>						
Cash and cash equivalents	-	-	-	-	790	790
Other balances with banks	-	-	-	-	111	111
Bank deposits	-	-	-	-	415	415
Trade receivables	-	-	-	-	16,649	16,649
Investments (other than in subsidiary)	18,785	22,021	-	-	-	40,806
Unbilled revenues	-	-	-	-	4,235	4,235
Loans*	-	-	-	-	2,710	2,710
Other financial assets	-	-	140	432	1,484	2,056
<b>Total</b>	<b>18,785</b>	<b>22,021</b>	<b>140</b>	<b>432</b>	<b>26,394</b>	<b>67,772</b>
<b>Financial Liabilities:</b>						
Trade and other payables	-	-	-	-	4,874	4,874
Borrowings	-	-	-	-	244	244
Other financial liabilities	-	-	-	20	1,487	1,507
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>6,605</b>	<b>6,625</b>

\*Loans include inter-corporate deposits of ₹ 2,425 crores, with original maturity period within 15 months.

## Notes forming part of the Financial Statements

The carrying value of financial instruments by categories as at March 31, 2016 is as follows:

(₹ crores)

	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Derivative instruments in hedging relationship (CFH)	Derivative instruments not in hedging relationship (NDH)	Amortised cost	Total carrying value
<b>Financial Assets:</b>						
Cash and cash equivalents	-	-	-	-	4,383	4,383
Other balances with banks	-	-	-	-	423	423
Bank deposits	-	-	-	-	415	415
Trade receivables	-	-	-	-	19,058	19,058
Investments (other than in subsidiary)	1,243	20,301	-	-	491	22,035
Unbilled revenues	-	-	-	-	2,712	2,712
Loans*	-	-	-	-	4,955	4,955
Other financial assets	-	-	116	421	1,093	1,630
<b>Total</b>	<b>1,243</b>	<b>20,301</b>	<b>116</b>	<b>421</b>	<b>33,530</b>	<b>55,611</b>
<b>Financial Liabilities:</b>						
Trade and other payables	-	-	-	-	5,370	5,370
Borrowings	-	-	-	-	163	163
Other financial liabilities	-	-	15	137	2,224	2,376
<b>Total</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>137</b>	<b>7,757</b>	<b>7,909</b>

\*Loans include inter-corporate deposits of ₹ 3,997 crores, with original maturity period within 19 months.

The carrying value of financial instruments by categories as at April 1, 2015 is as follows:

(₹ crores)

	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Derivative instruments in hedging relationship (CFH)	Derivative instruments not in hedging relationship (NDH)	Amortised cost	Total carrying value
<b>Financial Assets:</b>						
Cash and cash equivalents	-	-	-	-	461	461
Other balances with banks	-	-	-	-	71	71
Bank deposits	-	-	-	-	16,503	16,503
Trade receivables	-	-	-	-	17,392	17,392
Investments (other than in subsidiary)	978	51	-	-	-	1,029
Unbilled revenues	-	-	-	-	2,631	2,631
Loans*	-	-	-	-	2,924	2,924
Other financial assets	-	-	186	179	1,099	1,464
<b>Total</b>	<b>978</b>	<b>51</b>	<b>186</b>	<b>179</b>	<b>41,081</b>	<b>42,475</b>
<b>Financial Liabilities:</b>						
Trade and other payables	-	-	-	-	6,855	6,855
Borrowings	-	-	-	-	251	251
Other financial liabilities	-	-	-	20	1,392	1,412
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>8,498</b>	<b>8,518</b>

\*Loans include inter-corporate deposits of ₹ 2,635 crores, with original maturity period within 19 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled revenues, loans and trade and other payables as at March 31, 2017, March 31, 2016 and April 1, 2015 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

**Notes forming part of the Financial Statements**
**Fair value hierarchy:**

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

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

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

	(₹ crores)			
As at March 31, 2017	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual fund units	18,785	-	-	18,785
Equity shares	-	-	22	22
Government securities	21,999	-	-	21,999
Derivative financial assets	-	572	-	572
<b>Total</b>	<b>40,784</b>	<b>572</b>	<b>22</b>	<b>41,378</b>
<b>Financial liabilities:</b>				
Derivative financial liabilities	-	20	-	20
<b>Total</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>20</b>

	(₹ crores)			
As at March 31, 2016	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual fund units	1,243	-	-	1,243
Equity shares	-	-	47	47
Corporate debentures and Bonds	-	491	-	491
Government securities	20,254	-	-	20,254
Derivative financial assets	-	537	-	537
<b>Total</b>	<b>21,497</b>	<b>1,028</b>	<b>47</b>	<b>22,572</b>
<b>Financial liabilities:</b>				
Derivative financial liabilities	-	152	-	152
<b>Total</b>	<b>-</b>	<b>152</b>	<b>-</b>	<b>152</b>

	(₹ crores)			
As at April 1, 2015	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual fund units	978	-	-	978
Equity shares	4	-	47	51
Derivative financial assets	-	365	-	365
<b>Total</b>	<b>982</b>	<b>365</b>	<b>47</b>	<b>1,394</b>
<b>Financial liabilities:</b>				
Derivative financial liabilities	-	20	-	20
<b>Total</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>20</b>

## Notes forming part of the Financial Statements

### Reconciliation of Level 3 fair value measurement

		(₹ crores)
	As at March 31, 2017	As at March 31, 2016
Opening balance	47	47
Less : Sale of Equity shares	(25)	-
<b>Closing balance</b>	<b>22</b>	<b>47</b>

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

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

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

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

The Company report quarterly to its risk management committee, an independent body that monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

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

	March 31, 2017		
Foreign Currency	No. of Contracts	Notional amount of contracts (million)	Fair Value (₹ crores)
U.S. Dollar	6	150	9
Sterling Pound	45	318	60
Euro	27	198	40
Australian dollar	6	60	11

	March 31, 2016		
Foreign Currency	No. of Contracts	Notional amount of contracts (million)	Fair Value (₹ crores)
U.S. Dollar	9	225	41
Sterling Pound	8	160	52
Euro	24	285	20
Australian Dollar	21	228	(12)

	April 1, 2015		
Foreign Currency	No. of Contracts	Notional amount of contracts (million)	Fair Value (₹ crores)
Sterling Pound	18	297	67
Euro	9	171	88
Australian Dollar	6	97	31

**Notes forming part of the Financial Statements**

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

Foreign Currency	March 31, 2017		
	No. of Contracts	Notional amount of contracts (million)	Fair Value (₹ crores)
Sterling Pound	5	125	5
Euro	3	91	15

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

	Year ended March 31, 2017		Year ended March 31, 2016	
	Intrinsic Value	Time Value	Intrinsic Value	Time Value
<b>Balance at the beginning of the year</b>	68	(19)	131	(1)
Changes in the fair value of effective portion of cash flow hedges	784	(232)	250	(339)
Deferred tax on fair value of effective portion of cash flow hedges	(108)	30	(32)	44
(Gains) / losses transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	(743)	235	(323)	318
Deferred tax on losses / (gains) transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	104	(31)	42	(41)
<b>Balance at the end of the year</b>	<b>105</b>	<b>(17)</b>	<b>68</b>	<b>(19)</b>

Net gain on derivative instruments of ₹ 88 crores recognised in Hedging Reserve as at March 31, 2017, is expected to be transferred to the statement of profit and loss by March 31, 2018. The maximum period over which the exposure of cash flow variability has been hedged is through calendar year of 2017.

In addition to the above cash flow hedges, the Company has outstanding foreign exchange forwards, options and future contracts with notional amount aggregating ₹ 19,159 crores, ₹ 22,144 crores and ₹ 19,949 crores whose fair value showed a net gain of ₹ 412 crores, ₹ 284 crores and ₹ 159 crores as at March 31, 2017, March 31, 2016 and April 1, 2015 respectively. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange gain of ₹ 1,522 crores (March 31, 2016: Exchange gain of ₹ 181 crores) on foreign exchange forwards, options and future contracts for the year ended March 31, 2017 have been recognised in the statement of profit and loss.

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

	(₹ crores)	
	Year ended March 31, 2017	Year ended March 31, 2016
10% Appreciation of the underlying foreign currencies	(218)	(238)
10% Depreciation of the underlying foreign currencies	793	623

**(c) Financial risk management**

The Company 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 Company 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 Company.

**(i) Market risk**

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

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

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.



## Notes forming part of the Financial Statements

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Company.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

The Company 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 functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of Balance sheet which could affect the statements of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in note 28(b).

The following table sets forth information relating to foreign currency exposure as at March 31, 2017: (₹ crores)

	USD	GBP	EUR	Others*	Total
Total financial assets	2,544	815	214	1,227	4,800
Total financial liabilities	2,225	620	237	599	3,681

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately ₹ 112 crores for the year ended March 31, 2017.

The following table sets forth information relating to foreign currency exposure as at March 31, 2016: (₹ crores)

	USD	GBP	EUR	Others*	Total
Total financial assets	2,628	542	220	208	3,598
Total financial liabilities	2,582	608	175	538	3,903

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately ₹ 31 crores for the year ended March 31, 2016.

The following table sets forth information relating to foreign currency exposure as at April 1, 2015: (₹ crores)

	USD	GBP	EUR	Others	Total
Total financial assets	497	535	98	792	1,922
Total financial liabilities	2,392	463	173	442	3,470

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately ₹ 155 crores as on April 1, 2015.

\*Others include Australian Dollar, Saudi Arabian Riyal, Danish Kroner, Brazilian Real, Mexican Peso, United Arab Emirates Dirham, Swedish Kroner, South African Rand, Swiss Franc, Norwegian Kroner etc.

### (b) Interest rate risk

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

### (ii) Credit risk

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹ 2,425 crores are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹ 415 crores held with an Indian bank having high quality credit rating which are individually in excess of 10% or more of the Company's total bank deposits for the year ended March 31, 2017. None of the other financial instruments of the Company result in material concentration of credit risk.

**Notes forming part of the Financial Statements**
**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 67,749 crores, ₹ 55,563 crores and ₹ 42,423 crores as at March 31, 2017, March 31, 2016 and April 1, 2015, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, unbilled revenue and other financial assets.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as at March 31, 2017 and March 31, 2016.

**Geographic concentration of credit risk**

TCS Limited also has a geographic concentration of trade receivables, net of allowances and unbilled revenue is given below:

	(in %)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
United States of America	38	39	43
India	20	19	19
United Kingdom	17	17	17

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

**(iii) Liquidity risk**

Liquidity risk refers to the risk that the Company 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 Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

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

	(₹ crores)				
March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
<b>Non-derivative financial liabilities:</b>					
Trade and other payables	4,874	-	-	-	4,874
Borrowings	200	5	20	19	244
Other financial liabilities	1,242	13	231	1	1,487
<b>Total</b>	<u>6,316</u>	<u>18</u>	<u>251</u>	<u>20</u>	<u>6,605</u>
<b>Derivative financial liabilities:</b>					
<b>Total</b>	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>

	(₹ crores)				
March 31, 2016	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
<b>Non-derivative financial liabilities:</b>					
Trade and other payables	5,370	-	-	-	5,370
Borrowings	113	6	17	27	163
Other financial liabilities	1,931	45	231	17	2,224
<b>Total</b>	<u>7,414</u>	<u>51</u>	<u>248</u>	<u>44</u>	<u>7,757</u>
<b>Derivative financial liabilities:</b>					
<b>Total</b>	<u>152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152</u>

## Notes forming part of the Financial Statements

(₹ crores)

**April 1, 2015**

**Non-derivative financial liabilities:**

Trade and other payables

Borrowings

Other financial liabilities

**Total**

**Derivative financial liabilities:**

**Total**

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Trade and other payables	6,855	-	-	-	6,855
Borrowings	186	15	17	33	251
Other financial liabilities	981	63	347	1	1,392
<b>Total</b>	<b>8,022</b>	<b>78</b>	<b>364</b>	<b>34</b>	<b>8,498</b>
<b>Derivative financial liabilities:</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>Total</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>

### 29) SEGMENT REPORTING

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 Company's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Company has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance, 2) Manufacturing, 3) Retail and Consumer Business, 4) Communication, Media and Technology and 5) Others such as energy, resources and utilities, life science and healthcare, s-Governance and products.

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

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

Summarised segment information for the years ended March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	
<b>Year ended March 31, 2017</b>						
Revenue	35,836	8,447	16,679	16,327	15,404	92,693
Segment result	10,482	2,733	4,694	4,696	4,484	27,089
Unallocable expenses						1,591
Operating income						25,498
Other income (net)						4,568
Profit before tax						30,066
Tax expense						6,413
Profit for the year						23,653
<b>Other information</b>						
Depreciation and amortisation (unallocable)						1,575
Other significant non cash expense (allocable)	14	3	12	8	70	107

Notes forming part of the Financial Statements

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	
<b>As at March 31, 2017</b>						
Segment assets						
Allocable assets	6,793	1,940	3,432	3,808	5,423	21,396
Unallocable assets						68,362
Total assets						89,758
Segment liabilities						
Allocable liabilities	1,175	92	317	392	488	2,464
Unallocable liabilities						9,272
Total liabilities						11,736

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	
<b>Year ended March 31, 2016</b>						
Revenue	33,475	7,410	15,771	15,262	13,946	85,864
Segment result	10,971	2,475	4,579	4,583	4,446	27,054
Unallocable expenses						1,472
Operating income						25,582
Other income (net)						3,757
Profit before tax						29,339
Tax expense						6,264
Profit for the year						23,075
<b>Other information</b>						
Depreciation and amortisation						1,459
Other significant non cash expense (allocable)	29	7	10	11	62	119
<b>As at March 31, 2016</b>						
Segment assets						
Allocable assets	7,131	1,938	3,737	4,137	5,443	22,386
Unallocable assets						55,031
Total assets						77,417
Segment liabilities						
Allocable liabilities	1,123	127	213	402	374	2,239
Unallocable liabilities						10,165
Total liabilities						12,404

## Notes forming part of the Financial Statements

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	
<b>As at April 1, 2015</b>						
Segment assets						
Allocable assets	6,164	1,809	3,346	3,815	5,466	20,600
Unallocable assets						43,139
Total assets						63,739
Segment liabilities						
Allocable liabilities	1,775	290	653	731	643	4,092
Unallocable liabilities						8,098
Total liabilities						12,190

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

Information regarding geographical revenue is as follows:

	(₹ crores)	
	2017	2016
Americas	53,848	49,249
Europe	22,728	22,409
India	7,031	6,182
Others	9,086	8,024
<b>Total</b>	<b>92,693</b>	<b>85,864</b>

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

Information regarding geographical non-current assets is as follows:

Geography	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Americas	277	154	357
Europe	234	204	276
India	15,265	15,240	14,502

### Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2017 and March 31, 2016.

### 30) LEASES

The Company has taken on lease properties and equipment under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were ₹1,213 crores and ₹ 1,058 crores for the year ended March 31, 2017 and March 31, 2016 respectively.

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

#### Operating lease

	(₹ crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	482	386	523
Later than one year but not later than five years	1,547	1,284	1,619
Later than five years	1,012	986	1,476
<b>Total</b>	<b>3,041</b>	<b>2,656</b>	<b>3,618</b>

**Notes forming part of the Financial Statements**
**Finance lease**

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Minimum lease payments:			
Not later than one year	14	24	33
Later than one year but not later than five years	46	48	59
Later than five years	21	33	45
<b>Total</b>	<b>81</b>	<b>105</b>	<b>137</b>
(ii) Present value of minimum lease payments:			
Not later than one year	6	15	22
Later than one year but not later than five years	25	23	31
Later than five years	19	27	33
	<b>50</b>	<b>65</b>	<b>86</b>
Add: Future finance charges	31	40	51
<b>Total</b>	<b>81</b>	<b>105</b>	<b>137</b>

**Receivables under sub-leases**

(₹ crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	4	4	3
Later than one year but not later than five years	16	16	15
Later than five years	6	9	12
<b>Total</b>	<b>26</b>	<b>29</b>	<b>30</b>

Income under sub-leases of ₹ 5 crores and ₹ 2 crores have been recognised in the Statement of profit and loss and other comprehensive income for the year ended March 31, 2017 and March 31, 2016.

**31) EARNINGS PER EQUITY SHARE**

	2017	2016
Profit for the year (₹ crores)	23,653	23,075
Weighted average number of equity shares	197,04,27,941	197,04,27,941
Earning per share basic - and diluted (₹)	120.04	117.11
Face value per equity share (₹)	1	1

**32) AUDITORS REMUNERATION**

(₹ crores)

	2017	2016
Services as statutory auditors ( including quarterly audits )	5	5
Audit of financial statements as per IFRS	3	3
Tax audit	1	1
Services for tax matters	1	1
SSAE 16 and other matters	3	3
Reimbursement of out-of-pocket expenses	*	*
Service tax	2	2

Service tax credit has been / will be availed (subject to Swachh bharaat cess and Krishi kalyan cess)

In addition to the above, fees amounting to ₹ 1 crore ( Previous year: ₹ 1 crore) for attest and other professional services rendered have been paid to firms of Chartered Accountants in which some of the partners are also partners in the firm of statutory auditors.

\*represents values less than ₹ 0.50 crore.

## Notes forming part of the Financial Statements

### 33) COMMITMENTS AND CONTINGENCIES

#### (i) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,493 crores

#### (ii) Contingencies

##### *Direct tax matters*

Refer Note 9

##### *Indirect tax matters*

The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. As at March 31, 2017, the Company has demands on appeal amounting to ₹ 253 crores from various indirect tax authorities, which are being contested by the Company. In respect of indirect tax contingencies of ₹ 9 crores, not include above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

##### *Other claims*

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

As at March 31, 2017, claims aggregating ₹ 6,276 crores against the Company have not been acknowledged as debts.

In October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin for alleged infringement of Epic's intellectual property. In April 2016, the Company received an unfavorable jury verdict awarding damages totaling ₹ 6,101 crores (US \$941 million) to Epic which the trial judge has indicated his intent to reduce. On the basis of legal opinion and legal precedence, the Company expects to defend itself against the claim and believes that the claim will not sustain.

##### *Bank guarantees and letters of comfort*

The Company has given letter of comfort to various banks for credit facilities availed by its subsidiaries (a) Tata America International Corporation and (b) Tata Consultancy Services Asia Pacific Pte Ltd. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiaries and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiaries.

The Company has provided guarantees to third parties on behalf of its subsidiaries aggregating ₹ 2,127 crores. The Company does not expect any outflow of resources in respect of the above.

### 34) MICRO AND SMALL ENTERPRISES

(₹ crores)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Principal	Interest	Principal	Interest	Principal	Interest
Amount due to vendor	11	-	15	-	10	-
Principal amount paid (includes unpaid) beyond the appointed date	192	-	175	-	248	-
Interest due and payable for the year	-	-	-	1	-	1
Interest accrued and remaining unpaid (includes interest disallowable of ₹ 3 crores ( March 31, 2016: ₹ 3 crores; April 1, 2015: ₹ 2 crores))	-	3	-	3	-	2

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

### 35) DISCLOSURE UNDER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2017:

(₹ crores)

#### **Subsidiary Company**

TCS FNS Pty Limited

	Outstanding as at March 31, 2017	Maximum amount outstanding during the year
	-	-
	-*	7*

\*Previous years' figures are in italics



Notes forming part of the Financial Statements

36) RELATED PARTY TRANSACTIONS

The Company's material related party transactions and outstanding balances are with its subsidiaries with whom the Company routinely enters into transactions in the ordinary course of business.

Transactions with related parties are as follows:

Year ended March 31, 2017

(₹ crores)

	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Revenue from operations	4	57,787	246	2,162	-	60,199
Interest income	-	- *	-	- *	-	- *
Dividend income	-	394	-	-	-	394
Rent income	-	5	-	-	-	5
Other income	-	38	-	-	-	38
Purchase of goods, services (including reimbursement)	4	1,091	544	634	-	2,273
Brand equity contribution	89	-	-	-	-	89
Dividend paid	6,712	-	8	3	-	6,723
Purchase of property, plant and equipment	-	- *	21	33	-	54
Contribution to employees post employment benefit plan	-	-	-	-	963	963
Rent expense	1	18	33	5	-	57
Bad debts and advances written off, Allowances for doubtful trade receivables and advances (net)	- *	- *	4	5	-	9
Guarantees given	-	2	-	-	-	2
Loans and advances given	-	-	-	7	-	7
Loans and advances repaid	-	7	1	-	-	8

\* represents values less than ₹ 0.50 crore.

## Notes forming part of the Financial Statements

Year ended March 31, 2016

(₹ crores)

	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Revenue from operations	4	53,070	223	2,163	-	55,460
Interest income	-	-	-	-	-	-
Dividend income	-	696	-	-	-	696
Rent income	-	3	-	-	-	3
Other income	-	39	-	-	-	39
Purchase of goods, services (including reimbursement)	3	3,185	633	471	-	4,292
Brand equity contribution	75	-	-	-	-	75
Dividend paid	5,846	-	4	3	-	5,853
Purchase of property, plant and equipment	-	-	30	60	-	90
Contribution to employees post employment benefit plan	-	-	-	-	771	771
Rent expense	1	20	26	5	-	52
Bad debts and advances written off, Allowances for doubtful trade receivables and advances (net)	-	-	-	2	-	2
Guarantees given	-	3	-	-	-	3
Loans and advances given	-	-	1	-	-	1
Loans and advances repaid	-	11	-	-	-	11
Redemption / sale of investments	-	102	-	-	-	102

Balances receivable from related parties are as follows:

**As at March 31, 2017**

(₹ crores)

	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Trade receivables, Unbilled revenue (net)	1	9,890	128	626	-	10,645
Loans and advances, Other financial assets and other assets (net)	3	1	26	14	-	44
Investments	-	-	19	-	-	19
	<u>4</u>	<u>9,891</u>	<u>173</u>	<u>640</u>	<u>-</u>	<u>10,708</u>

**Notes forming part of the Financial Statements**
**As at March 31, 2016**

	(₹ crores)					
	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Trade receivables, Unbilled revenue (net)	2	10,474	111	625	-	11,212
Loans and advances, Other financial assets and other assets (net)	2	7	2	9	-	20
Investments	-	-	19	-	-	19
	<u>4</u>	<u>10,481</u>	<u>132</u>	<u>634</u>	<u>-</u>	<u>11,251</u>

**As at April 1, 2015**

	(₹ crores)					
	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Trade receivables, Unbilled revenue (net)	1	9,969	109	658	-	10,737
Loans and advances, Other financial assets and other assets (net)	3	47	-	9	-	59
Investments	-	-	19	-	-	19
	<u>4</u>	<u>10,016</u>	<u>128</u>	<u>667</u>	<u>-</u>	<u>10,815</u>

Balances payable to related parties are as follows:

**As at March 31, 2017**

	(₹ crores)					
	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Trade payables, Unearned deferred revenue, Other financial liabilities and Other liabilities	82	1,653	25	150	-	1,910
Guarantees and commitments	-	2,127	24	71	-	2,222
	<u>82</u>	<u>3,780</u>	<u>49</u>	<u>221</u>	<u>-</u>	<u>4,132</u>

## Notes forming part of the Financial Statements

As at March 31, 2016

(₹ crores)

	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Trade payables, Unearned deferred revenue, Other financial liabilities and Other liabilities	68	1,503	20	81	-	1,672
Guarantees and commitments	-	3,225	25	59	-	3,309
	<u>68</u>	<u>4,728</u>	<u>45</u>	<u>140</u>	<u>-</u>	<u>4,981</u>

As at April 1, 2015

(₹ crores)

	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Trade payables, Unearned deferred revenue, Other financial liabilities and Other liabilities	69	1,509	36	86	-	1,700
Guarantees and commitments	-	3,311	51	95	-	3,457
	<u>69</u>	<u>4,820</u>	<u>87</u>	<u>181</u>	<u>-</u>	<u>5,157</u>

The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.

Compensation to key management personnel is as follows:

(₹ crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Short-term benefits	46	43
Dividend paid during the year	1	-
<b>Total</b>	<u>47</u>	<u>43</u>

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

### 37) DIVIDENDS

Dividends paid during the year ended March 31, 2017 include an amount of ₹ 27 per equity share towards final dividend for the year ended March 31, 2016 and an amount of ₹ 19.50 per equity share towards interim dividend for the year ended March 31, 2017. Dividends paid during the year ended March 31, 2016 include an amount of ₹ 24 per equity share towards final dividend for the year ended March 31, 2015 and an amount of ₹ 16.50 per equity share towards interim dividend for the year ended March 31, 2016.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As at March 31, 2017, income (net of dividend tax) available for distribution were ₹ 62,383 crores. On April 18, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 27.50 per share in respect of the year ended March 31, 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 6,522 crores inclusive of dividend distribution tax of ₹ 1,103 crores.

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies**

Sr. No.	Name of the Subsidiary Company	Date of acquiring subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding	Country
1	APTOnline Limited	August 9, 2004	April 1, 2016	March 31, 2017	INR	1.000000	2	64	191	125	45	146	32	11	21	10	89%	India
2	MP Online Limited	September 8, 2006	April 1, 2016	March 31, 2017	INR	1.000000	1	73	125	51	39	86	31	11	20	8	89%	India
3	C-Edge Technologies Limited	January 19, 2006	April 1, 2016	March 31, 2017	INR	1.000000	10	121	209	78	-	254	54	20	34	17	51%	India
4	ManaOnline Limited	September 23, 2010	April 1, 2016	March 31, 2017	INR	1.000000	3	43	135	89	45	69	7	2	5	2	74%	India
5	CVC Americas Inc	August 9, 2004	April 1, 2016	March 31, 2017	USD	64.845000	10	154	244	80	-	327	56	22	34	-	100%	U.S.A.
6	CVC eBiz Inc.	January 27, 2011	April 1, 2016	March 31, 2017	USD	64.845000	-	-	-	-	-	-	-	-	-	-	100%	U.S.A.
7	TCS e-Serve International Limited	December 31, 2008	April 1, 2016	March 31, 2017	INR	1.000000	10	212	273	51	118	142	58	17	41	-	100%	India
8	TCS e-Serve America, Inc.	February 10, 2009	January 1, 2016	December 31, 2016	USD	64.845000	2	6	34	26	-	88	(8)	-	(8)	-	100%	U.S.A.
9	Diligenta Limited	August 23, 2005	April 1, 2016	March 31, 2017	GBP	80.803336	8	583	847	256	162	1,485	7	(1)	8	-	100%	U.K.
10	Tata Consultancy Services Canada Inc.	October 1, 2009	April 1, 2016	March 31, 2017	CAD	48.576672	34	474	1,036	528	-	3,656	415	111	304	170	100%	Canada
11	Tata America International Corporation	August 9, 2004	April 1, 2016	March 31, 2017	USD	64.845000	1	3,223	12,375	9,051	113	53,685	1,846	756	1,090	-	100%	U.S.A.
12	Tata Consultancy Services Asia Pacific Pte Ltd.	August 9, 2004	April 1, 2016	March 31, 2017	USD	64.845000	29	470	807	308	495	1,662	138	22	116	110	100%	Singapore
13	Tata Consultancy Services (China) Co., Ltd	November 16, 2006	January 1, 2016	December 31, 2016	CNY	9.409554	190	(13)	269	92	-	498	59	24	35	-	93.2%	China
14	Tata Consultancy Services Japan, Ltd.	July 1, 2014	April 1, 2016	March 31, 2017	JPY	0.579361	251	604	1,625	770	-	3,451	143	45	98	21	51%	Japan
15	Tata Consultancy Services Malaysia Sdn Bhd	August 9, 2004	April 1, 2016	March 31, 2017	MYR	14.659869	3	90	172	79	-	353	15	-	15	-	100%	Malaysia
16	PT Tata Consultancy Services Indonesia	October 5, 2006	April 1, 2016	March 31, 2017	IDR	0.004886	-	27	44	17	-	66	21	4	17	17	100%	Indonesia
17	Tata Consultancy Services (Philippines) Inc.	September 19, 2008	April 1, 2016	March 31, 2017	PHP	1.289960	36	176	306	94	-	537	72	1	71	-	100%	Philippines
18	Tata Consultancy Services (Thailand) Limited	May 12, 2008	April 1, 2016	March 31, 2017	THB	1.868071	2	12	19	5	-	28	3	-	3	-	100%	Thailand
19	Tata Consultancy Services Belgium S.A.	August 9, 2004	April 1, 2016	March 31, 2017	EUR	69.293356	1	256	404	147	-	1,015	144	48	96	-	100%	Belgium
20	Tata Consultancy Services Deutschland GmbH	August 9, 2004	April 1, 2016	March 31, 2017	EUR	69.293356	1	126	771	644	-	2,316	139	45	94	69	100%	Germany
21	Tata Consultancy Services Sverige AB	August 9, 2004	April 1, 2016	March 31, 2017	SEK	7.261072	-	309	772	463	-	1,980	158	36	122	-	100%	Sweden
22	Tata Consultancy Services Netherlands BV	August 9, 2004	April 1, 2016	March 31, 2017	EUR	69.293356	457	1,409	2,252	386	1,329	2,405	421	106	315	-	100%	Netherlands
23	TCS Italia SRL	August 9, 2004	April 1, 2016	March 31, 2017	EUR	69.293356	15	(13)	111	109	-	296	10	8	2	-	100%	Italy
24	Tata Consultancy Services Luxembourg S.A.	October 26, 2005	April 1, 2016	March 31, 2017	EUR	69.293356	39	13	75	23	-	155	33	8	25	-	100%	Capellen (G.D. de Luxembourg)

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies**

(₹ crores)																		
Sr. No.	Name of the Subsidiary Company	Date of acquiring subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding	Country
25	Tata Consultancy Services Switzerland Ltd.	October 31, 2006	April 1, 2016	March 31, 2017	CHF	64.819072	10	272	651	369	98	1,643	137	25	112	-	100%	Switzerland
26	Tata Consultancy Services France S.A.S	August 9, 2004	April 1, 2016	March 31, 2017	EUR	69.293356	2	(1)	394	393	-	651	6	3	3	-	100%	France
27	Tata Consultancy Services Osterreich GmbH	March 9, 2012	April 1, 2016	March 31, 2017	EUR	69.293356	-	4	25	21	-	23	2	1	1	-	100%	Austria
28	Tata Consultancy Services Denmark ApS	March 16, 2012	April 1, 2016	March 31, 2017	DKK	9.317078	1	2	6	3	-	11	-	-	-	-	100%	Denmark
29	Tata Consultancy Services De Espana S.A.	August 9, 2004	April 1, 2016	March 31, 2017	EUR	69.293356	-	15	131	116	-	216	14	-	14	-	100%	Spain
30	Tata Consultancy Services Portugal Unipessoal Limitada	July 4, 2005	April 1, 2016	March 31, 2017	EUR	69.293356	-	(13)	17	30	-	19	(1)	-	(1)	-	100%	Portugal
31	Alti S.A.	June 28, 2013	April 1, 2016	March 31, 2017	EUR	69.293356	3	(15)	452	464	75	701	(115)	11	(126)	-	100%	France
32	Alti HR S.A.S.	June 28, 2013	April 1, 2016	March 31, 2017	EUR	69.293356	-	10	12	2	-	3	(1)	-	(1)	-	100%	France
33	Tescom (France) Software Systems Testing S.A.R.L.	June 28, 2013	April 1, 2016	March 31, 2017	EUR	69.293356	1	(10)	2	11	-	7	(3)	-	(3)	-	100%	France
34	Alti Switzerland S.A.	June 28, 2013	April 1, 2016	March 31, 2017	CHF	64.819072	1	11	16	4	-	43	1	-	1	-	100%	Switzerland
35	Alti Infrastructures Systemes & Reseaux S.A.S.	June 28, 2013	April 1, 2016	March 31, 2017	EUR	69.293356	-	(2)	-	2	-	3	(1)	-	(1)	-	100%	France
36	Alti NV	June 28, 2013	April 1, 2016	March 31, 2017	EUR	69.293356	6	(2)	19	15	-	52	(8)	-	(8)	-	100%	Belgium
37	Teamlink	June 28, 2013	April 1, 2016	March 31, 2017	EUR	69.293356	-	(1)	3	4	-	-	-	-	-	-	100%	Belgium
38	Planaxis Technologies Inc.	June 28, 2013	April 1, 2016	March 31, 2017	EUR	69.293356	-	40	58	18	-	46	3	-	3	-	100%	Canada
39	Tata Consultancy Services Saudi Arabia	July 2, 2015	April 1, 2016	March 31, 2017	SAR	17.291078	6	35	165	124	-	323	47	12	35	-	76%	Saudi Arabia
40	Tata Consultancy Services (Africa) (PTY) Ltd.	October 23, 2007	April 1, 2016	March 31, 2017	ZAR	4.847318	7	45	52	-	52	-	45	-	45	-	100%	South Africa
41	Tata Consultancy Services (South Africa) (PTY) Ltd.	October 31, 2007	April 1, 2016	March 31, 2017	ZAR	4.847318	9	50	264	205	-	662	39	11	28	45	100%	South Africa
42	TCS FNS Pty Limited	October 17, 2005	April 1, 2016	March 31, 2017	AUD	49.599941	5	(4)	17	16	-	-	-	-	-	-	100%	Australia
43	TCS Financial Solutions Beijing Co., Ltd.	December 29, 2006	April 1, 2016	March 31, 2017	CNY	9.409554	34	(5)	97	68	-	80	2	1	1	-	100%	China
44	TCS Financial Solutions Australia Holdings Pty Limited	October 19, 2005	April 1, 2016	March 31, 2017	AUD	49.599941	69	(20)	49	-	-	-	-	-	-	-	100%	Australia
45	TCS Financial Solutions Australia Pty Limited	October 19, 2005	April 1, 2016	March 31, 2017	AUD	49.599941	-	125	149	24	36	59	47	17	30	-	100%	Australia
46	TCS Iberoamerica SA	August 9, 2004	April 1, 2016	March 31, 2017	UYU	2.269668	638	585	1,344	121	1,344	-	119	5	114	-	100%	Uruguay
47	TCS Solution Center S.A.	August 9, 2004	April 1, 2016	March 31, 2017	UYU	2.269668	82	27	324	215	-	554	35	7	28	-	100%	Uruguay
48	Tata Consultancy Services Argentina S.A.	August 9, 2004	April 1, 2016	March 31, 2017	ARS	4.206253	18	(54)	28	64	-	65	(14)	-	(14)	-	99.99%	Argentina

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

(₹ zeros)																		
Sr. No.	Name of the Subsidiary Company	Date of acquiring subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding	Country
49	Tata Consultancy Services Do Brasil Ltda	August 9, 2004	April 1, 2016	March 31, 2017	BRL	20.579834	362	(289)	254	181	-	484	16	7	9	-	100%	Brazil
50	Tata Consultancy Services De Mexico S.A., De C.V.	August 9, 2004	January 1, 2016	December 31, 2016	MXN	3.472085	1	508	700	191	-	1,705	391	120	271	102	100%	Mexico
51	Tata Consultancy Services Chile S.A.	August 9, 2004	January 1, 2016	December 31, 2016	CLP	0.097785	166	500	757	91	65	433	62	(2)	64	-	100%	Chile
52	TCS Inversiones Chile Limitada	August 9, 2004	January 1, 2016	December 31, 2016	CLP	0.097785	150	161	315	4	314	-	(1)	-	(1)	-	99.99%	Chile
53	TATASOLUTION CENTER S.A.	December 28, 2006	January 1, 2016	December 31, 2016	USD	64.845000	19	46	240	175	-	659	(24)	11	(35)	65	100%	Ecuador
54	TCS Uruguay S.A.	January 1, 2010	April 1, 2016	March 31, 2017	UYU	2.269688	-	53	84	31	-	185	8	2	6	33	100%	Uruguay
55	IMGDC S.C.	January 1, 2010	January 1, 2016	December 31, 2016	MXN	3.472085	-	122	216	94	-	860	57	18	39	-	100%	Mexico
56	TECHNOLOGY OUTSOURCING S.A.C	October 30, 2015	January 1, 2016	December 31, 2016	PEN	19.966438	11	(3)	31	23	-	100	(4)	(2)	(2)	-	100%	Peru
57	Tata Consultancy Services Qatar S.S.C.	December 20, 2011	April 1, 2016	March 31, 2017	QAR	17.809179	4	62	83	17	-	123	9	1	8	-	100%	Qatar
58	TCS Foundation	March 25, 2015	April 1, 2016	March 31, 2017	INR	1.000000	1	499	504	4	473	-	222	-	222	-	100%	India

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2017.
2. Diligenta2 Ltd. was liquidated on March 14, 2017.
3. PT Financial Network Services was liquidated on March 16, 2017.
4. MSCJV was liquidated on January 24, 2017.

**N. Chandrasekaran**  
*Chairman*

**V. Ramakrishnan**  
*CEO*

**Dr. Ron Sommer**  
*Director*

**Aarthi Subramanian**  
*Executive Director*

**O. P. Bhatt**  
*Director*

**Rajesh Gopinathan**  
*CEO and Managing Director*

**Ishaat Hussain**  
*Director*

**V. Thyagarajan**  
*Director*

**Prof. Clayton M Christensen**  
*Director*

**N. Ganpathy Subramaniam**  
*COO and Executive Director*

**Dr. Vijay Kelkar**  
*Director*

**Aman Mehta**  
*Director*

**Suprakash Mukhopadhyay**  
*Company Secretary*

For and on behalf of the Board



## Glossary

Analytics	In the enterprise context, this is the discovery, interpretation, and communication of meaningful patterns in business data to predict and improve business performance
Application Programming Interface (API)	APIs are a set of easily accessible protocols for communication between various software components
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 on behalf of the client
Artificial Intelligence (AI)	AI is technology that appears to emulate human performance typically by learning, arriving at its own conclusions, appearing to understand complex content, engaging in natural dialogs with people, enhancing human cognitive performance (cognitive computing) or replacing people on execution of non-routine tasks
Asset Leveraged Solutions	Software solutions delivered by leveraging TCS' IP / frameworks or software products
Assurance Services	Quality Assurance and Engineering Services encompassing business requirements validation, static and functional testing, non-functional testing including performance engineering, user experience, security and test automation
Attrition	This measures what portion of the workforce left the organization (voluntarily or involuntarily) in a certain period. Attrition looks at employee departures over the last 12 months (LTM). The formula is: Total number of departures in the LTM / closing headcount
Augmented Reality (AR)	Augmented Reality is a technology that superimposes a computer-generated image on a user's view of the real world to enrich the interaction
Automation	Automation is 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
Basis Point	A basis point is one hundredth of a percentage point, that is, 0.01%
Big Data	Big Data is high volume, high velocity, and/or high variety information assets that require new forms of processing to enable enhanced decision making, insight discovery, and process optimization
Book Value	The value at which an asset or a liability is carried on a balance sheet or the value of initial outlay for an investment.
Blockchain	Blockchain is a distributed database that maintains a continuously growing list of records, called blocks, secured from tampering and revision
Business Process Services (BPS)	Designing, enabling, and executing business operations including data management, analytics, interactions and experience management
Chatbots	Chatbots are 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
Cognitive Computing	Cognitive computing is the simulation of human thought processes in a computerized model. It involves self-learning systems that use data mining, pattern recognition, and natural language processing to mimic the way the human brain works
Constant Currency	Restating the current period's revenue or profit after eliminating the impact of currency movement in the intervening period gives the constant currency revenue or profit At TCS, this is done by recalculating the current period's revenue using the average currency conversion rates from the prior period
Cross-currency impact	When a company derives revenues in multiple currencies, the change in conversion rates of those currencies to the reporting currency (for example, INR) in the current period, vis-à-vis the conversion rates of the prior period affects the reported revenue. This revenue impact due to shifts in the value of currencies relative to the reporting currency is called cross-currency impact  For example, if 50% of the revenue is denominated in USD, and the USD has depreciated against the INR by 5% in a period, even if the company earns the same amount of dollars as in the prior period, it still translates into fewer rupees this period. The cross-currency impact on revenue will be $50\% \times 5\% = 2.5\%$
Cyber Security	Cyber Security is the body of technologies, processes, and practices designed to protect networks, computers, programs, and data from attack, damage, or unauthorized access. In a computing context, security includes both cyber security and physical security
Days' Sales Outstanding (DSO)	Days' Sales Outstanding is a popular way of depicting the Accounts Receivable relative to the company's revenue over the last twelve months ( $DSO = \text{Accounts Receivable} \times 365 / \text{Revenue}$ )
Digital Technologies	Digital technologies represent the nexus of new age services such as Social Media, Mobility, Analytics, Big Data, Cloud, Artificial Intelligence and Internet of Things
Discretionary Spend	Discretionary spend, also known as Change the Business (CTB) spend, is that portion of the IT budget that's outside of the basic minimum IT activities required to keep the business running. Projects that transform the manner in which business operates are considered discretionary In uncertain economic times, it may be necessary for businesses to cut spend in response to decline in income and discretionary spend is often the first one to be scrutinized Discretionary spend is subjective, and may differ considerably among business
Dividend Payout Ratio	Dividend Payout Ratio is the ratio of the annual dividend paid (including dividend distribution tax) to the Net Income, usually expressed as a percentage
Earnings per Share (EPS)	EPS for any period is the amount of that period's Net Income attributable to a single share after deducting any preference dividend and related taxes $EPS = \frac{\text{Net profit} - \text{Preference dividend if any}}{\text{Weighted average number of shares outstanding during the period}}$
Effective Tax Rate (ETR)	ETR is the proportion of the Profit Before Taxes that is provided for payment of income taxes $ETR = \frac{\text{Provision for Taxes}}{\text{Profit Before Taxes}}$
Engineering and Industrial Services	Next Generation Product Engineering, Manufacturing Operations Transformation, Services Transformation, Embedded software and Internet of Things
Enterprise Solutions and Consulting	Business and technology consulting, design, architecture, implementation, and support services on Enterprise Application platforms covering the front, middle, and back-office applications such as ERP, CRM, Supply Chain, Content Management etc., on-premise, cloud and other digital platforms
Fair Value	The fair value of a financial asset or liability is the price that would be received on selling an asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date

## Glossary

Forward Contract	A Forward Contract is a hedging instrument wherein two parties agree to buy or sell a particular currency at a pre-determined rate (OR Forward Currency rate ) on a specific future date. For e.g. TCS enters into a forward contract to sell USD 1mn after 3 months @ ₹ 68. Irrespective of the prevailing USD spot rate, TCS will be obliged to sell USD 1mn @ ₹ 68 at the end of 3 months.
Gamification	Gamification is the process of adding games or game-like elements to any activity in order to enrich experiences and encourage user participation
IT Infrastructure Services (IT IS)	Technical consulting, remote infrastructure management, hosting, process and tools optimization, and technical transformation of the enterprise IT infrastructure to a future proof hybrid cloud model
Internet of Things (IoT)	IoT is a network of interconnected machines or devices which are 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	Invested funds are funds that are highly liquid in nature, and can be readily converted into cash Invested Funds = Cash and Bank Balances + Investments + Deposits with Banks + Inter corporate Deposits
Key Managerial Personnel (KMP)	KMP in relation to our Company means the Chief Executive Officer and Managing Director, Chief Financial Officer, all Executive Directors, Global Head for Human Resource and the Company Secretary. Please refer to the Company's policy on KMP: <a href="http://www.tcs.com/ir-corporate-governance">http://www.tcs.com/ir-corporate-governance</a>
Machine Learning	Machine learning is a type of artificial intelligence (AI) that provides computers with the ability to learn without being explicitly programmed
Market Capitalization	Total market value of all of a company's outstanding equity shares Market Cap = Last Trading Price * Total number of outstanding shares
Non controlling Interest	Minority Interest is the share of the consolidated profits attributable to interests of the non-controlling ownership in the subsidiaries.
Non-discretionary Spend	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
Offshore leverage	This is the proportion of our international revenues derived from services that are delivered out of centers in India. A service delivered out of an offshore delivery center is billed at a lower rate compared to what would be applicable if delivered out of the customer's location. So higher offshore leverage depresses the revenue growth relative to the volume growth but expands the gross margin
Pricing	This is the price charged to the customer per unit of effort. In contracts, pricing is the billing rate for a unit of effort (usually measured in person-hours). In Fixed Price contracts, pricing is the total sum the customer is expected to pay for the turnkey solution delivered. Some use this term interchangeably (and somewhat inaccurately) with the average revenue realized by the company per unit of effort. See Realization
Realization	This is the revenue received by the company per unit of effort expended. TCS reports the quarter on quarter change in realization (in percentage terms) after removing any impact of changes in currency exchange rates and also any impact of change in offshore leverage between the two periods Billing rates vary depending on what service is offered, and in which part of the world, so it is important to note that increases or decreases in realization could be because of changes in the underlying business or geographic mix and not necessarily because of a change in the pricing of a service. 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 the Company's policy on Related Party Transactions : <a href="http://www.tcs.com/ir-corporate-governance">http://www.tcs.com/ir-corporate-governance</a>
Simplification	Simplification is the term used to describe 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
Unbilled Revenue (UBR)	UBR is revenue that is yet to be invoiced for services already delivered. The budgeted effort has been expended (and therefore the revenue has been recognized) and yet, no invoice has been raised. While this could happen due to several reasons, the most common one is the customer delay in acceptance of a project deliverable. This is the opposite of Unearned Revenue
Unearned Revenue (UER)	UER is money received in advance for services yet to be delivered. In other words, it is revenue that has been invoiced and collected from the client although the underlying effort is yet to be expended. Unearned revenue is the opposite of Unbilled Revenue
Virtual Reality (VR)	VR is an 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
Volume	Volume in any period is the Billed Effort and the quantum of hardware equipment and software licenses sold in that period

**Disclaimer:** This glossary is intended to help understand commonly used terms and phrases in TCS' Annual 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.

# Promoting fitness in the Community

TCS is the title sponsor of premier marathons across the globe, including the TCS World 10K Bengaluru, the TCS New York City Marathon, the TCS Amsterdam Marathon, and the TCS Lidingöppet (the world's largest cross country run), and the technology partner to the Marathons held in Mumbai, London, Singapore, Chicago, and Boston -- all part of our effort to promote health and fitness in the communities we work with the world over.



Title Sponsors



TATA CONSULTANCY SERVICES  
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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 Indian and overseas IT services companies, various factors which may affect our cost advantage, 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 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.

Produced and Designed by: Global Investor Relations and Corporate Marketing, Tata Consultancy Services

IT Services  
Business Solutions  
Consulting



## Notice

Notice is hereby given that the twenty-second Annual General Meeting of Tata Consultancy Services Limited will be held on Friday, June 16, 2017 at 3.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020, to transact the following business:

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2016 -17.
3. To appoint a Director in place of Ms. Aarthi Subramanian (DIN 07121802) who retires by rotation and, being eligible, offers herself for re-appointment.
4. **Appointment of Statutory Auditors of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W - 100022), be and is hereby appointed as Auditors of the Company in place of the retiring auditors Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the twenty-seventh AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

5. **Appointment of Mr. N. Chandrasekaran as a Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. N. Chandrasekaran (DIN 00121863) who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 21, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation.”

6. **Appointment of Mr. Rajesh Gopinathan as a Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. Rajesh Gopinathan (DIN 06365813 ) who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 21, 2017 and who holds office up to the date of this Annual General Meeting of the



Company in terms of Section 161(1) of the Companies Act, 2013 ("Act"), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, not liable to retire by rotation."

#### **7. Appointment of Mr. Rajesh Gopinathan as Chief Executive Officer and Managing Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves the appointment and terms of remuneration of Mr. Rajesh Gopinathan (DIN 06365813), as the Chief Executive Officer and Managing Director of the Company for a period of five years with effect from February 21, 2017 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Rajesh Gopinathan."

"RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

#### **8. Appointment of Mr. N. Ganapathy Subramaniam as a Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. N. Ganapathy Subramaniam (DIN 07006215), who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 21, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act"), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation."

#### **9. Appointment of Mr. N. Ganapathy Subramaniam as Chief Operating Officer and Executive Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves the appointment and terms of remuneration of Mr. N. Ganapathy Subramaniam (DIN 07006215) as Chief Operating Officer and Executive Director of the Company for a period of five years with effect from February 21, 2017 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. N. Ganapathy Subramaniam."

“RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

## 10. Appointment of Branch Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board be and is hereby authorized to appoint Branch Auditors of any branch office of the Company, whether existing or which may be opened / acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditors and to fix their remuneration.”

### Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 to 10 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/re-appointment as Director under Item Nos. 3, 5, 6, and 8 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Share Transfer Books of the Company will be closed on Thursday, June 15, 2017 and Friday, June 16, 2017.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on Friday, June 23, 2017 as under:
  - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Wednesday, June 14, 2017;
  - ii. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on Wednesday, June 14, 2017.



6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, TSR DARASHAW Limited (TSRDL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSRDL.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to TSRDL.

7. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSRDL for assistance in this regard.
8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or TSRDL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.tcs.com](http://www.tcs.com) (under 'Investors' section). Members holding shares in physical form may submit the same to TSRDL. Members holding shares in electronic form may submit the same to their respective depository participant.

## 12. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 205A and 205C, and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, were required to be transferred to the IEPF. Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were applicable with effect from September 7, 2016, also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company, erstwhile TCS e-Serve Limited and erstwhile CMC Limited, which have been amalgamated with the Company, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account.

The Company has sent notice to all the members whose Dividends are lying unpaid / unclaimed against their name for seven consecutive years or more. Members are requested to claim the same on or before May 31, 2017. In case the dividends are not claimed by the said date, necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2009-10 onwards for the Company, erstwhile TCS e-Serve Limited and erstwhile CMC Limited, are requested to lodge their claims with TSRDL. It may be noted that the unclaimed Final Dividend for the financial year 2009-10 declared by the Company on July 2, 2010 can be claimed by the Members by July 1, 2017. The unclaimed Final Dividend for the financial year 2009-10 declared by erstwhile CMC Limited on June 29, 2010 can be claimed by the Members by June 28, 2017 and the unclaimed Final Dividend for the financial year 2009-10 declared by erstwhile e-Serve Limited on August 24, 2010 can be claimed by the Members by August 23, 2017. Members attention is particularly drawn to the "Corporate Governance" section of the Annual Report in respect of unclaimed dividend.

The Ministry of Corporate Affairs ('MCA') on May 10, 2012 notified the Investor Education and Protection Fund (Uploading of information regarding Unpaid and Unclaimed amount lying with Companies) Rules 2012. In terms of the above Rules, the Company has uploaded the information in respect of the Unclaimed Dividends, as on the date of last AGM i.e. June 17, 2016, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under 'Investors' section on the website of the Company viz. [www.tcs.com](http://www.tcs.com).

13. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. [www.tcs.com](http://www.tcs.com).
14. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/TSRDL.
15. The route map showing directions to reach the venue of the twenty-second AGM is annexed.
16. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
17. The Board of Directors has appointed Mr. P.N. Parikh of M/s. Parikh & Associates, Practicing Company Secretaries (Membership No. FCS 327) and failing him Mr. Mitesh Dhaliwala, Practicing Company Secretary (Membership No. FCS 8331) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

- 18 The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
19. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
20. The instructions for e-voting are as under:
  - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company / Depositories):
    - i. Open the email and also open the PDF file, namely, "TCS e-voting.pdf", with your Client ID or Folio No. as password. The said PDF file contains your User ID and password for e-voting. Please note that the password is an initial password.  
NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "TCS e-voting.pdf".
    - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
    - iii. Click on Shareholder – Login.
    - iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.  
NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).  
In case Shareholders are holding shares in demat mode, User ID is the combination of (DPID + Client ID).  
In case Shareholders are holding shares in physical mode, User ID is the combination of (Even No + Folio No.).
    - v. If you are logging in for the first time, please enter the User ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential. If you forget your password, you can reset it using "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - vi. Once the e-voting home page opens, click on e-Voting > Active Voting Cycles.
    - vii. Select "EVEN" (E-voting Event Number) of Tata Consultancy Services Limited which is 106156. Now you are ready for e-voting as 'Cast Vote' page opens.
    - viii. Cast your vote by selecting the appropriate option and click on "Submit" and also "Confirm" when prompted.
    - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
    - x. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.
    - xi. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution and / or Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [tcs.scrutinizer@gmail.com](mailto:tcs.scrutinizer@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- xii. In case of any queries, members may refer the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no: 1800-222-990.
- B. In case a Member receives a physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company/Depositories):
- i. Initial password is provided in the enclosed attendance slip: EVEN (E-voting Event Number) + User ID and Password.
  - ii. Please follow all steps from Sl. No. 20. A (ii) to (xii) above, to cast vote.
- C. Other Instructions
- i. The e-voting period commences on Tuesday, June 13, 2017 (9.00 a.m. IST) and ends on Thursday, June 15, 2017 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, June 9, 2017 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
  - ii. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Meeting through electronic voting system or poll paper.
  - iii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
  - v. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.tcs.com](http://www.tcs.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The Company shall simultaneously forward the results to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

By Order of the Board of Directors

**SUPRAKASH MUKHOPADHYAY**  
*Global Treasury Head and Company Secretary*

Mumbai, April 18, 2017

**Registered Office:**

9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

CIN : L22210MH1995PLC084781

Tel: 91 22 6778 9595 Fax: 91 22 6778 9660

E-mail: [investor.relations@tcs.com](mailto:investor.relations@tcs.com) Website: [www.tcs.com](http://www.tcs.com)

## Explanatory Statement

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 10 of the accompanying Notice:

### Item No. 4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Deloitte Haskins & Sells LLP (DHS), Chartered Accountants, Mumbai, (ICAI Firm Registration No. 117366W/W-100018) were appointed as the Auditors of the Company at the nineteenth Annual General Meeting (AGM) of the Company held on June 27, 2014 for a term of three years to hold office till the conclusion of this AGM. DHS have been the Auditors of the Company since financial year 2008-09. Prior to this, S. B. Billimoria & Co. (SBB), Chartered Accountants, were the Auditors of the Company from the financial year 2004-05 till financial year 2007-08. SBB was an associate of DHS.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, DHS can continue as the Auditors of the Company only up to the conclusion of this Annual General Meeting ('AGM'), having completed their term as per the provisions of Section 139 of the Act.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on January 12, 2017, proposed the appointment of M/s B S R & Co. LLP (Firm Registration No. 101248W/W - 100022) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the twenty-seventh AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act).

B S R & Co. LLP have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

### Item No. 5

The Board of Directors has appointed Mr. N. Chandrasekaran, as an Additional Director of the Company with effect from February 21, 2017, on the recommendation of the Nomination and Remuneration Committee. As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, along with the requisite deposit.

Mr. N. Chandrasekaran relinquished his position as the Chief Executive Officer and Managing Director of the Company with effect from February 21, 2017 on his appointment as Executive Chairman of Tata Sons Limited. He was nominated as the Chairman of the Board of Directors of the Company by Tata Sons Limited from the same date. Mr. Chandrasekaran demonstrated exemplary leadership as the Chief Executive Officer and Managing Director of the Company. Prior to his elevation to the position of Chief Executive Officer and Managing Director of the Company on October 6, 2009, he held the office of the Chief Operating Officer and Executive Director of the Company from September 6, 2008. He joined the Company in 1987 and has held several key positions within the Company. He chairs the Board of several Tata companies and is also a Director of the Reserve Bank of India. Mr. Chandrasekaran is recipient of several awards and recognition in business and academic communities.

Further details of Mr. N. Chandrasekaran have been given in the Annexure to this Notice.

The Board commends the Resolution at Item No.5 of the accompanying Notice for the approval by the Members of the Company.

Except Mr. N. Chandrasekaran, Mr. N. Ganapathy Subramaniam, and their relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, in the Resolution set out at Item No. 5 of the Notice.

**Item Nos. 6 and 7**

The Board of Directors, at its meeting held on January 12, 2017 appointed Mr. Rajesh Gopinathan, as an Additional Director of the Company with effect from February 21, 2017. The Board, at the same meeting, has elevated him from the position of the Chief Financial Officer to the position of the Chief Executive Officer and Managing Director ("CEO & MD") of the Company effective the same date, for a period of five years, subject to the approval of the Members. His appointment has been recommended by the Nomination and Remuneration Committee. The Audit Committee has approved the terms and conditions of his appointment, as he, being a key managerial personnel, is a related party as per Section 2(76) of the Act.

As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, along with the requisite deposit.

Prior to his elevation to the position as the CEO & MD, he held the office of the Chief Financial Officer of the Company from February 10, 2013. He has held several key positions within the Company and has played a key role in helping the Company become a US\$ 17.6 billion global company.

Mr. Rajesh Gopinathan joined Tata Consultancy Services in 2001 from Tata Industries, and worked to drive TCS' newly established e-business unit in the United States. He was also involved in the design, structure and implementation of the new organizational structure and operating model of the Company. He has worked on multiple assignments with Tata companies as part of the Tata Strategic Management Group since 1996.

In 2014 he was awarded the "Young Alumni Achiever's Award" under "Corporate Leader" category by IIM, Ahmedabad.

Further details of Mr. Rajesh Gopinathan have been given in the Annexure to this Notice.

The main terms and conditions of appointment of Mr. Rajesh Gopinathan (hereinafter referred to as "CEO & MD") are given below:

**A. Tenure of Appointment:**

The appointment as CEO & MD is for a period of five years with effect from February 21, 2017.

**B. Nature of Duties:**

The CEO & MD shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and direction of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/ or subsidiaries, including performing duties as assigned to the CEO & MD from time to time by serving on the Boards of such associated companies and/ or subsidiaries or any other executive body or any committee of such a company.



**C. Remuneration:****a. Basic Salary:**

Current Basic Salary of ₹7,50,000 per month; up to a maximum of ₹15,00,000 per month.

The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ("NRC") and the Audit Committee and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

**b. Benefits, Perquisites, and Allowances:**

Details of Benefits, Perquisites and Allowances are as follows:

- i. Rent-free residential accommodation (partly furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g., gas, electricity, and water charges) for the said accommodation or house rent, house maintenance and utility allowances aggregating 85% of the Basic Salary (in case residential accommodation is not provided by the Company).
- ii. Hospitalisation and major medical expenses, Car facility, Telecommunication facility and Housing loan facility as per Rules of the Company.
- iii. Other perquisites and allowances given below subject to a maximum of 55% of the Basic Salary; this shall include medical allowance, leave travel concession / allowance and other allowances / personal accident insurance / club membership fees.
- iv. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- v. Leave and encashment of unavailed leave as per the Rules of the Company.

**c. Commission:**

In addition to Salary, Benefits, Perquisites and Allowances, the CEO & MD would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the CEO & MD will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

**D. Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the CEO & MD, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

**E. Other terms of Appointment:**

The CEO & MD shall enter into an agreement, containing, inter alia, the following terms:

- i. The CEO & MD shall not become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the CEO & MD may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the CEO & MD, subject to such approvals as may be required.
- iii. The Agreement may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- iv. The employment of the CEO & MD may be terminated by the Company without notice or payment in lieu of notice:
  - a. if the CEO & MD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or



- b. in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the CEO & MD of any of the stipulations contained in the Agreement.
- v. Upon the termination by whatever means of the CEO & MD's employment:
  - a. the CEO & MD shall immediately cease to hold offices held by him in any holding company, subsidiaries or associated companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and unless the Board of Directors of the Company decide otherwise, shall resign as trustee of any trusts connected with the Company;
  - b. the CEO & MD shall not without the consent of the Company, at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.
- vi. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the CEO & MD, unless specifically provided otherwise.
- vii. The terms and conditions of appointment of the CEO & MD also include clauses pertaining to adherence with the Tata Code of Conduct and maintenance of confidentiality.
- viii. If and when the Agreement expires or is terminated for any reason whatsoever, the CEO & MD will cease to be the CEO & MD, and also cease to be a Director. If at any time, the CEO & MD ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the CEO & MD, and the Agreement shall forthwith terminate. However, the Board may at its discretion decide that CEO & MD shall continue as Director of the Company.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment and remuneration of the CEO & MD as specified above are now being placed before the Members for their approval. The Board commends the Resolutions at Item Nos. 6 and 7 for approval by the Members.

Except Mr. Rajesh Gopinathan and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, in the Resolutions set out at Item Nos. 6 and 7 of the Notice.

**Item Nos. 8 and 9:**

The Board of Directors, at its meeting held on January 12, 2017 appointed Mr. N. Ganapathy Subramaniam, as an Additional Director of the Company with effect from February 21, 2017. The Board, at the same meeting, has also appointed him as the Chief Operating Officer and Executive Director ("COO & ED") of the Company effective the same date, for a period of five years, subject to the approval of the Members. His appointment has been recommended by the Nomination and Remuneration Committee. The Audit Committee has also approved the terms and conditions of his appointment, as he, being the brother of Mr. N. Chandrasekaran, is a related party as per Section 2(76) of the Act.

As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, along with the requisite deposit.

Mr. N. Ganapathy Subramaniam was elevated to the role of COO & ED on February 21, 2017. Prior to taking over the COO's role, he served as the President, Financial Services, a strategic business unit of the Company. In that role, he was responsible for steering the non-linear growth strategies, Products and Platform business of the Company for over five years. In steering TCS Financial Solutions, he led the Company's efforts in launching a suite of products for Banking, Capital Markets and Insurance domains - TCS BaNCS, many of which have become world class solutions used by major financial institutions globally. He has held many key leadership positions in the Company across Client Delivery, Business Development, integration of businesses and Product Development. He has been a part of the Company and the Indian IT Industry for the past 35 years and has in-depth knowledge on technology trends and systems policies of leading corporations. Mr. N. Ganapathy Subramaniam holds Master's in Mathematics from University of Madras and has attended various programs including the Executive program for Growing Companies at Stanford University.

Further details of Mr. N. Ganapathy Subramaniam have been given in the Annexure to this Notice.

The main terms and conditions of appointment of Mr. N. Ganapathy Subramaniam (hereinafter referred to as "COO and ED") are given below:

**A. Tenure of Appointment:**

The appointment as COO & ED is for a period of five years with effect from February 21, 2017.

**B. Nature of Duties:**

The COO & ED shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Chief Executive Officer and Managing Director of the Company and/or the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and direction of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries, including performing duties as assigned to the COO & ED from time to time by serving on the Boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

**C. Remuneration:**

**a. Basic Salary:**

Current Basic Salary of ₹7,00,000 per month; up to a maximum of ₹12,00,000 per month.

The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ("NRC") and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

**b. Benefits, Perquisites, and Allowances:**

Details of Benefits, Perquisites, and Allowances are as follows:

- i. Rent-free residential accommodation (partly furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g., gas, electricity, and water charges) for the said accommodation or house rent, house maintenance and utility allowances aggregating 85% of the Basic Salary (in case residential accommodation is not provided by the Company).
- ii. Hospitalisation and major medical expenses, Car facility, Telecommunication facility and Housing loan facility as per Rules of the Company.
- iii. Other perquisites and allowances given below subject to a maximum of 55% of the Basic Salary; this shall include medical allowance, leave travel concession / allowance and other allowances / personal accident insurance / club membership fees.
- iv. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- v. Leave and encashment of unavailed leave as per the Rules of the Company.

**c. Commission:**

In addition to Salary, Benefits, Perquisites and Allowances, the COO & ED would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the COO & ED will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

**D. Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the COO & ED, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

**E. Other terms of Appointment:**

The COO & ED shall enter into an agreement, containing, inter alia, the following terms:

- i. The COO & ED shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the COO & ED may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the COO & ED, subject to such approvals as may be required.
- iii. The Agreement may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- iv. The employment of the COO & ED may be terminated by the Company without notice or payment in lieu of notice:
  - a. if the COO & ED is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or
  - b. in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the COO & ED of any of the stipulations contained in the Agreement.
- v. Upon the termination by whatever means of the COO & ED's employment:
  - a. the COO & ED shall immediately cease to hold offices held by him in any holding company, subsidiaries or associated companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and unless the Board of Directors of the Company decide otherwise, shall resign as trustee of any trusts connected with the Company;
  - b. the COO & ED shall not without the consent of the Company, at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.
- vi. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the COO & ED, unless specifically provided otherwise.
- vii. The terms and conditions of appointment of the COO & ED also include clauses pertaining to adherence with the Tata Code of Conduct, and maintenance of confidentiality.
- viii. If and when the Agreement expires or is terminated for any reason whatsoever, the COO & ED will cease to be the COO & ED, and also cease to be a Director. If at any time, the COO & ED ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the COO & ED, and the Agreement shall forthwith terminate. However, the Board may at its discretion decide that COO & ED shall continue as Director of the Company.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment and remuneration of the COO & ED as specified above are now being placed before the Members for their approval. The Board commends the Resolutions at Item Nos. 8 and 9 for approval by the Members.

Except Mr. N. Ganapathy Subramaniam, Mr. N. Chandrasekaran and their relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, in the Resolutions set out at Item Nos. 8 and 9 of the Notice.

**Item No.10**

The Company has branches outside India and may also open / acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

The Board commends the Resolution at Item No. 10 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 10 of the Notice.

**By Order of the Board of Directors**

**SUPRAKASH MUKHOPADHYAY**  
*Global Treasury Head and Company Secretary*

Mumbai, April 18, 2017

**Registered Office:**

9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

CIN : L22210MH1995PLC084781

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## Details of Directors seeking Appointment/ Re-appointment at the Annual General Meeting

Particulars	Ms. Aarthi Subramaniam	Mr. N. Chandrasekaran	Mr. Rajesh Gopinathan	Mr. N. Ganapathy Subramaniam
Date of Birth (Age)	June 26, 1967 (49 years)	June 2, 1963 (53 years)	August 13, 1971 (45 years)	May 20, 1959 (57 years)
Date of Appointment	March 12, 2015	February 21, 2017	February 21, 2017	February 21, 2017
Qualifications	<ul style="list-style-type: none"> <li>■ B. Tech in Computer Science</li> <li>■ Master's Degree in Engineering Management</li> </ul>	<ul style="list-style-type: none"> <li>■ Bachelor's Degree - Applied Science</li> <li>■ Master's Degree- Computers Application</li> </ul>	<ul style="list-style-type: none"> <li>■ MBA - IIM, Ahmedabad</li> <li>■ Engineer, Regional Engg. College, Trichy</li> </ul>	<ul style="list-style-type: none"> <li>■ Master's Degree in Mathematics</li> </ul>
Expertise in specific functional areas	Wide experience in Information Technology	Wide experience in Information Technology	Wide experience in Information Technology	Wide experience in Information Technology
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil	<ul style="list-style-type: none"> <li>■ Tata Sons Limited</li> <li>■ Tata Steel Limited</li> <li>■ Tata Motors Limited</li> <li>■ The Indian Hotels Company Limited</li> <li>■ The Tata Power Company Limited</li> </ul>	Nil	<ul style="list-style-type: none"> <li>■ Tata Elxsi Limited</li> </ul>
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil	Nil	Nil	Nil
Number of shares held in the Company	2,800	88,528	1,130	98,880

Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of the above directors please refer to the Board's Report and the Corporate Governance Report.

# Route Map to the AGM Venue

Venue : Birla Matoshri Sabhagar,  
19, Sir Vithaldas Thackersey Marg,  
Mumbai 400020

Landmark : Next to Bombay Hospital

Date & Time : Friday June 16, 2017 at 3.30 p.m.



Distance from Chhatrapati Shivaji Terminus: 2 km



Distance from Churchgate Station: 1 km



Distance from Marine Lines Station: 0.8 km



**TATA CONSULTANCY SERVICES LIMITED**

CIN: L22210MH1995PLC084781

Registered Office: 9<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai 400 021

Tel: 91 22 6778 9595 Fax: 91 22 6778 9660 E-mail: investor.relations@tcs.com Website: www.tcs.com

**ATTENDANCE SLIP**

(To be presented at the entrance)

I/ We hereby record my/our presence at the 22<sup>nd</sup> Annual General Meeting (AGM) of the Company on Friday, June 16, 2017 at 3:30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020.

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member / Proxyholder can attend the Meeting.

2. Member / Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

**TATA CONSULTANCY SERVICES LIMITED**

CIN: L22210MH1995PLC084781

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Tel: 91 22 6778 9595 Fax: 91 22 6778 9660 E-mail: investor.relations@tcs.com Website: www.tcs.com

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Folio No. / Client ID No.: \_\_\_\_\_ DP ID No.: \_\_\_\_\_

I/ We, being the member(s) of \_\_\_\_\_ Shares of Tata Consultancy Services Limited, hereby appoint

1. Name : \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_

or failing him/her

2. Name : \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_

or failing him/her

3. Name : \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address : \_\_\_\_\_

Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the twenty-second AGM of the Company to be held on Friday, June 16, 2017 at 3:30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below.

**Resolution**

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2016 -17.
3. To appoint a Director in place of Ms. Aarthi Subramaniam who retires by rotation and, being eligible, offers herself for re-appointment.
4. Appointment of Statutory Auditors of the Company.
5. Appointment of Mr. N Chandrasekaran as a Director of the Company.
6. Appointment of Mr. Rajesh Gopinathan as a Director of the Company.
7. Appointment of Mr. Rajesh Gopinathan as Chief Executive Officer and Managing Director of the Company.
8. Appointment of Mr. N. Ganapathy Subramaniam as a Director of the Company.
9. Appointment of Mr. N. Ganapathy Subramaniam as Chief Operating Officer and Executive Director of the Company.
10. Appointment of Branch Auditors.

Signed this .....day of ..... 2017

Signature of Shareholder .....Signature of Proxyholder(s).....

**NOTES:**

1. **This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021, not less than 48 hours before the commencement of the Meeting**
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/ Proxy.