



TCS/SE/71/2016-17

July 1, 2016

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Mumbai
Kind Attn: Manager, Listing Department

BSE Limited
P. J. Towers, Dalal Street,
Mumbai
Kind Attn: General Manager
Department of Corporate Services
Scrip Code No. 532540 (BSE)

Dear Sirs,

Sub: Annual Report 2015-16

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2015-16 approved and adopted by the members as per the provisions of the Companies Act, 2013, at the 21st Annual General Meeting of the Company held on Friday, June 17, 2016 at 3.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020.

The above is also uploaded on the Company's website.

Thanking you,

Yours faithfully
For **Tata Consultancy Services Limited**

Suprakash Mukhopadhyay
Vice President and Company Secretary
Encl: As above

cc:

- | | |
|--|---|
| 1. National Securities Depository Limited
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013 | 2. Central Depository Services (India) Limited
P.J. Towers, Dalal Street,
Mumbai 400 001 |
| 3. TSR DARASHAW Limited | |

TATA CONSULTANCY SERVICES

Tata Consultancy Services Limited

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Corporate Identification No. (CIN): L22210MH1995PLC084781



SHAPING THE FUTURE

Annual Report 2015-16

TATA CONSULTANCY SERVICES
Experience certainty.





TCS Sahyadri Park, Pune

SHAPING THE FUTURE

The Digital technologies of mobility, big data, analytics, cloud computing, artificial intelligence and robotics are creating a dematerialized and hyperconnected world. To succeed, companies will have to be agile and create products that are experience rich. TCS is working with the world's largest companies to help them reimagine their business models, products and services, and workplaces in all industries. With more than one-third of our workforce trained in over 400 digital platforms and technologies, we are guiding companies of today on the path to tomorrow.

Cover image: TCS Siruseri, Chennai

The Annual General Meeting will be held on Friday, June 17, 2016, at Birla Matushri Sabhagar, Sir V. T. Marg, New Marine Lines, Mumbai 400020, at 3.30 p.m. As a measure of economy, 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



(Standing - Left to Right)

A Mehta
Director

V Thyagarajan
Director

P A Vandrevalla
Director

(Seated - Left to Right)

V Kelkar
Director

N Chandrasekaran
Chief Executive Officer
& Managing Director

C P Mistry
Chairman



(Standing - Left to Right)

O P Bhatt
Director

R Sommer
Director

I Hussain
Director

(Seated - Left to Right)

Aarthi Subramanian
Executive Director

C M Christensen
Director

Management Team

Corporate



N Chandrasekaran
Chief Executive Officer
& Managing Director



Aarthi Subramanian
Global Head of
Delivery Excellence,
Governance & Compliance



Rajesh Gopinathan
Chief Financial Officer



Ajoyendra Mukherjee
Global Head, Human Resources



Suprakash Mukhopadhyay
Company Secretary
& Treasury



John Lenzen
Marketing



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



NG Subramaniam
Financial Solutions



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



Siva Ganesan
Assurance Services



Satya Ramaswamy
Digital Enterprise
Services & Solutions

Performance by Numbers

₹28,642 CR
EBIT/OPERATING INCOME
26.4% *



₹24,292 CR
NET INCOME
22.4% *



REVENUE GROWTH

₹1,08,646 CR UP 14.8%



₹21,581 CR⁺
NET CASH FROM OPERATIONS

₹381 CR
GLOBAL CORPORATE
SOCIAL RESPONSIBILITY



₹2,024 CR
CAPEX

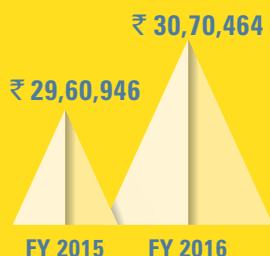


₹32,534 CR
INVESTED FUNDS

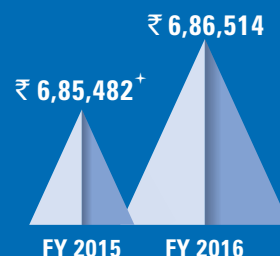
₹10,220 CR
DIVIDENDS
(Includes proposed dividend)



REVENUE PER EMPLOYEE



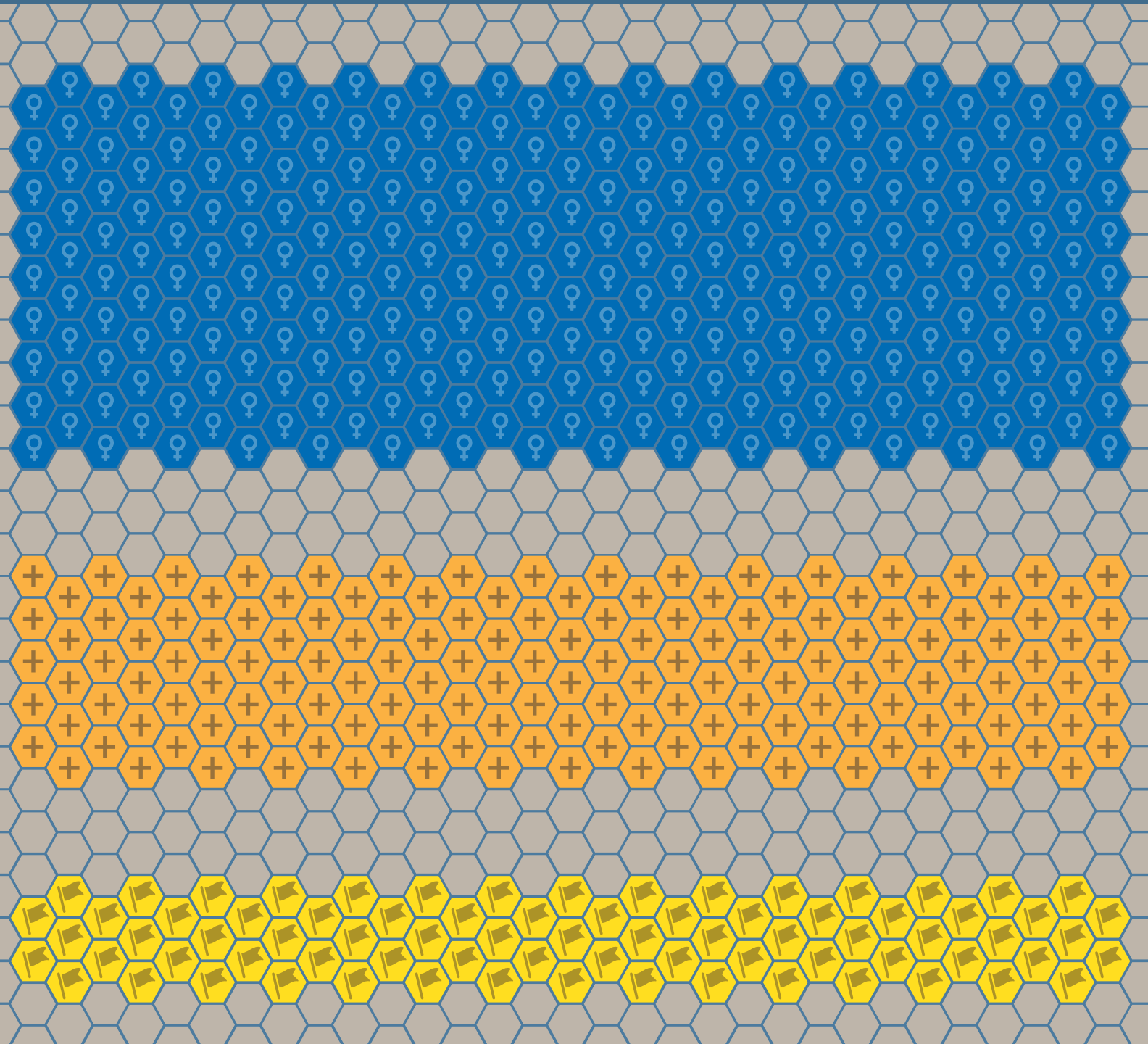
PROFIT PER EMPLOYEE



⁺ Excludes employee rewards

* Percentage of revenues

People by Numbers



 Total Employees
3,50,000+

 Women Employees
1,15,000+

 New Joinees
90,000+

 Nationalities
125+



Letter from the CEO

"Our rich customer base, domain expertise and deep understanding of the customer landscape, technology investments and IP combined with our global scale puts us in pole position to make a significant impact in the Digital world."



Dear Shareholders,

Your Company delivered a strong performance during 2015-16 and crossed the trillion rupee revenue milestone, with reported revenues of ₹1,08,646 crore at an annual growth of 14.8 per cent. Operating margins were an industry benchmark at 26.4 per cent for the year, well within our target range of 26-28 per cent.

In terms of markets, growth was well distributed with North America growing 10.8 per cent, Europe by 12.9 per cent and United Kingdom by 8.3 per cent in constant currency terms. India crossed \$ 1 billion milestone in annual revenues while overall revenues from new Growth Markets exceeded \$ 3.3 billion on in FY16.



TCS remained the most profitable company in the Indian IT services industry posting net margins of 22.4 per cent and annual net profit of ₹24,292 crore. This performance has enabled your Company to retain its position as the most valuable company in India with a market capitalisation of ₹4,95,770 crore (US\$ 74.84 billion) as on March 31, 2016.

We have continued our practice to consistently reward our shareholders. In FY16, our total dividend pay-out was ₹43.50 per share including ₹27 per share proposed as final dividend. The earnings per share for the company increased to ₹123.28.

Strong Core Performance

Your Company's customer-centric business model and its philosophy in building new capabilities has led to increased participation in our customers' IT spend. The core business portfolio has performed very well with all key segments posting steady growth led by Banking & Financial Services, Retail, Manufacturing and Life Sciences - all these industries grew above the company average growth rate on a constant currency basis.

From a services perspective, growth was led by Infrastructure services, Products & Platforms and Assurance services. Digital services grew by 52.2 per cent annually with revenues crossing the \$2 billion mark.

There were some headwinds in the business environment for your Company. Adverse cross currency movements severely impacted the reported US\$ revenue of 16.55 billion by 4.8 per cent. This resulted in lower US\$ revenue growth of 7.1 per cent year-on-year compared to 11.9 per cent growth in constant currency terms. Diligenta, our life and pensions subsidiary in the UK continued to experience some slowdown while the broader insurance vertical also remained weak. Our investment in Japan is yet to pick up momentum.

Your Company's talent development initiatives continued to support business growth. At the end of FY16, TCS had a diverse base of 3,53,843 employees in 55 countries from 129 nationalities including 33.8 per cent women professionals. We continued to enjoy the highest retention in the industry at 14.7 per

cent LTM (last 12 months) for IT professionals. Our employee engagement programs like Fit4Life, Purpose4Life and SafetyFirst are helping create awareness about health and fitness as well as enabling our employees to engage with the community to make a positive impact.

It is the commitment and dedication of these TCSers across the world that has helped your Company perform on a sustained basis. On behalf of all the shareholders, I would like to thank every TCSer for their drive and passion that has helped this organisation maintain its growth and momentum.

Today, customers see your Company as a partner of choice for their transformation initiatives. This is evident from the strength of the customer revenue metrics which have shown exceptional improvement in FY16. We added eight new customers in the \$100+ million band taking the total to 37 customers, while 37 new customers were added in the \$10+ million band totalling 298 customers. Our customer satisfaction scores also reached an all-time high, reflecting this trend.

Digital Technology Trends

Demand for our services is being driven by the acceleration in the adoption of Digital. Digital is creating new opportunities for enterprises to drive Efficiency and Simplification across the business. Most brick and mortar businesses were built in a pre-digital era. Therefore, to thrive in the Digital economy, enterprises are on a quest to deliver unique customer experiences, gain real-time access to insights, improve workforce productivity and create a hyper-connected eco-system.

The impact of “Digital Technologies” has further intensified in the past twelve months. We are living in a digital age, characterised by an accelerating trend of hyper-connectivity between humans and also between humans and smart devices. As you go through this annual report, we have attempted to showcase some of the key technology and business trends that are shaping the future of TCS and that of our customers.

The digital world we inhabit today has very different characteristics from what we have seen in the past. It is forcing all of us - individuals, enterprises and governments - to learn new ways to engage with our stakeholders. In addition, widespread adoption of Digital technologies by business is leading to the evolution of the Smart Enterprise – companies that can respond in real time and provide unique personalised experiences for its customers.

Smart Enterprises are quick to recognise that in a Digital world, experience supercedes features. This was not the case even five years ago, when we would buy a product based on its features alone without even opening the box! But now it's the experience of the product or service that determines our buying behaviour. The reason we focus on experience today is because new features are only one software release away. Whatever the product, be it a smart watch or even a car, every software release brings new and enriched features.

For a Smart Enterprise to respond in real-time or ahead of time requires dematerialisation of an enterprise where physical assets now have a Digital interface. Once dematerialised, all enterprise's assets - technology, infrastructure, operations, logistics, customer data and content - become software driven and therefore now available for seamless correlation and deriving proactive insights. For example, as goods from cars to cans become more 'intelligent', a dematerialised smart enterprise can execute, respond, plan and predict in real-time using insights gleaned from big data.

To succeed, Smart Enterprises have to be Agile by default. Agility is the ability of an enterprise to move with speed and respond to changes in its environment swiftly (for example, when launching new products). Your Company is proactively increasing its use of Agile/ DevOps (Development + Operations) methodologies to radically decrease the time to market of new solutions, while bringing about greater collaboration between IT and business.

Further, to make sense of voluminous and unstructured data that is increasing exponentially, Smart Enterprises are using Artificial Intelligence technologies for developing machine learning and deep learning capabilities. Software robots are playing a bigger role in our lives – from algorithmic trading and advisory services in financial markets to mapbots which give us daily driving directions. Additionally, cloud-based models are enabling 'anywhere-anytime-any device' access to data which is creating a significant shift in business models and enterprise IT architectures.

TCS Leadership in the Digital Economy

Your Company has been at the forefront of this Digital revolution by making strategic investments across multiple dimensions ahead of time to ensure that we are well equipped to capture this big opportunity. Today, we are Digital partners for 52% of our

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Powerful
IT Services
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customers across multiple segments such as Mobility and Pervasive Computing, Cloud, Big Data, Artificial Intelligence & Robotics – all of which have grown at a compounded quarterly growth rate of 8-12 per cent during FY16. We have built the right technology talent combined with deep domain expertise and an understanding of the customer's business.

The Digital economy and disruptions in technologies are changing the skills requirements in our industry. Recognising the need to build the right Digital talent, your Company has made significant investments to upgrade skills of its employees as well as increase its focus on hiring specialised talent.

TCS has created a world-class Digital Learning Platform - an integrated ecosystem that combines virtual, physical and experiential learning with high quality content that is available anywhere, anyplace, anytime and on any device. I am delighted to share that we have trained over 1,20,000 TCSers in multiple digital technologies during FY16.

Digital transformations entail new ways of collaboration among teams that consist of players with multiple niche skills – from design to psychology – in order to deliver a 'customer-first' experience. Towards this, we have invested in a new Design Studio in Silicon Valley, staffed with top notch professionals with diverse skill sets. It is a collaborative space where customers can co-create with TCS in a typical start-up 'garage' environment. A new executive briefing centre was also launched for next-generation engagement with customers using immersive technologies in Mumbai.

Your Company's significant investments in Digital has resulted in a growing portfolio of Digital products and platforms. TCS' strategic bets in TCS Bancs™ for Financial Services and iON™ for the Education sector have performed well. We also continue to invest in digital platform solutions for key industries, horizontal functions (Account Payable, HR) as well as technology assets. The new cloud platforms together delivered \$172 million in revenues in FY16, a growth of 37 per cent year on year.

In June last year, we launched ignio™, our flagship automation product for enterprise IT that helps customers analyse, plan and predict their IT needs. With its cognitive capabilities, ignio™ is technologically an advanced enterprise automation product in the market. Within nine months of its launch it had signed up 16 customers. TCS has also filed 24 patents for ignio™ till date.

Today's digital enterprises also face an increased exposure to cyber security threats from phishing attacks, Advanced Persistent Threat (APT) and hyper-connected universe, data confidentiality and data sensitivity. TCS has taken proactive steps to combat these threats and ensure uninterrupted service delivery to customers. We also continue to reinforce our stringent security policies and procedures.

Driving Research & Innovation

Your Company has been pursuing a two-pronged Research and Innovation (R&I) agenda. Our in-house R&I programs have been refined to focus on foundational research in areas like deep learning, nano-materials, cognitive computing and genomics as well as engage in industry-centric innovations like the use of blockchain technology in banking, connected cars or smart homes.

Your Company remains focused on Intellectual Property creation. At the end of FY16, the company has applied for 2,842 patents cumulatively, including 565 applied during the past 12 months, of which the company has been granted 341 patents.

However, as an organisation we are humble enough to recognise that it is impossible to innovate in isolation. Therefore, to complement the in-house R&I efforts, your Company has built a global start-up partnership ecosystem called COIN™ (Co-Innovation Network) which actively engages with technology start-ups, academia and venture capitalists to identify innovative ideas on an ongoing basis from over 1,400 companies on our radar.

Additionally we continue to build our strategic academic partnerships. In FY16 your Company made a US\$35 million gift to Pittsburgh-based Carnegie Mellon University, which was the all-time largest corporate gift to the university and the largest gift from outside the U.S. This donation will fund a new 40,000 square feet facility, the TCS Building, which will support education, cutting-edge research and house state-of-the-art facilities. In India, your Company also announced plans to set up the FC Kohli Center on Intelligent Systems at IIT Hyderabad which will coordinate research in related domains across different centres of the university.

In March, in collaboration with Nashik city and MIT Media Labs, your Company began a unique social innovation program. The TCS Digital Impact Square is an open Social Innovation Platform to address real life challenges by engaging with students and



entrepreneurs from across India and providing them with internships to build solutions to challenging social issues using Digital technologies and human centric design principles.

Beyond Business: Key Social Initiatives

Your Company made a significant impact in the community with new programs and initiatives. TCS stepped forward to extend its support towards the 'Swachh Bharat, Swachh Vidyalaya' initiative, announced by India's Prime Minister Shri Narendra Modi on August 15, 2014. As the largest corporate contributor to the program, your Company has built dedicated toilets for girl students in 1,472 schools in Andhra Pradesh, Telangana, Bihar and Tamil Nadu, changing lives of over 80,000 students in the process by giving them the opportunity to live a healthy childhood and gain an education.

Another landmark initiative was the social transformation of All India Institute of Medical Sciences – India's pre-eminent public healthcare institution - where using process re-engineering and technology, a TCS team worked tirelessly for six months to re-engineer and deploy new processes to reduce waiting times by 66 per cent to less than two hours benefitting over three million patients annually.

The TCS STEM (Science, Technology, Engineering, Math) program expanded its reach, inspiring young minds. It is designed to empower students to master digital technologies through innovative technology learning platforms. TCS contributed to US2020 program to launch a new online platform which aims to connect more STEM professionals to grassroots volunteering opportunities, acknowledged by the US White House in a press statement.

Your Company will continue to look for ways to make significant social interventions using digital platforms and technologies in the areas of health and education going forward.

Last but not least, I am delighted to share that your Company has been recognised and rewarded by peers and stakeholders. TCS was rated as the world's most powerful brand in IT Services and also retained its position as the fastest growing brand within its industry over the last 6 years. Among other major accolades, TCS ranked number 1 in Europe for Customer Satisfaction by Whitelane Research for third year in a row. Your Company also appeared in the global Forbes 100 most innovative global companies list for the eighth consecutive year and topped the Business Today 500 list for the third year in a row.

Looking ahead, as global businesses aspire to become Smart Enterprises by accelerating adoption of digital, your Company is very well positioned in this regard. Our rich customer base, domain expertise and deep understanding of the customer landscape, technology investments and IP combined with our global scale puts us in pole position to make a significant impact in the Digital world.

I would like to thank shareholders for all their support and encouragement during the year.

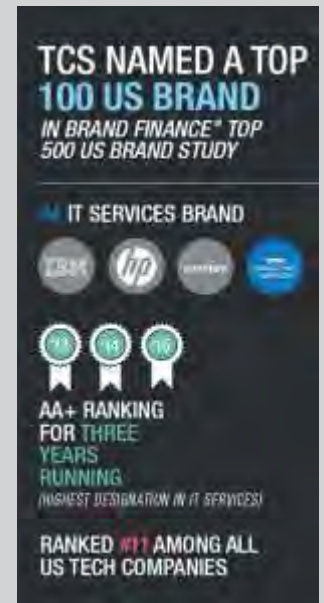
With Warm Regards

Yours Sincerely

N Chandrasekaran

Chief Executive Officer and Managing Director

April 18, 2016





Shaping the Future of Retail

Retailers are in a world of immense complexity. The next wave of Omni-channel Retailing is focused on Retailer's ability to deliver superior customer experience and instantly deliver on Customer promise every single time. Imagine, a large retailer with 200 million customers, fulfilling 1,50,000+ orders per day- of which 40% are omnichannel (anytime, anywhere orders). It requires the retailer to effectively manage and supply its 2 million Stock Keeping units (SKUs) across 5,000 inventory nodes to fulfil customer orders in <30 minutes. Tough? Thanks to 'Digital', Retailers are adapting quickly.

Offering a great price to consumers isn't enough. Smart retailers are using TCS services to build matured capabilities to derive 3,600 Customer Insights (understand their transactions and interactions) and Improved Visibility into the Omni-channel Supply Chain. They are leveraging this powerful knowledge of the customer to drive customer-centric assortment and shopping-trip relevant pricing.

Retailers are fighting the war of the last mile. Customers can order online, pick in store, ship from store, collect in-store partial deliveries and so much more. Successful delivery of customer promise requires a high level of inventory visibility in real time with the ability to orchestrate the customer order through the various inventory carrying points.



PARTNER TO **7/10**
TOP US RETAILERS

PARTNER TO **8/10**
TOP UK RETAILERS

PARTNER TO **10 OUT OF 15**
TOP DIGITAL IQ RETAILERS



BUY
BUTTON



ANYTIME/
ANYWHERE



INSTANT
PRICE MATCH



CHECKOUT
DISRUPTION

With TCS, retailers are re-defining and re-architecting their supply chain to realize the multi-channel inventory management and delivering flexible fulfilment options to the customer. There is 30% less wait time at stores and 40% higher sales through digital channels.

What if you always found what you were looking for in your store, at the price that you wanted with the flexibility of the online orders - that's what makes a great customer experience. It requires a strong ability for the retailer to have the right assortment, at the right store and at the right price. TCS' industry leading platforms Optumera™ and Omnistore™ help in optimizing store space and assortment with competitive pricing, while also enabling truly omnichannel shopping journeys.



Shaping the Future of BFSI

The slow growth in advanced economies, changing nature of emerging markets, Central bank trials with monetary policies and increasing vigilance by Regulators continue to challenge growth in Financial Service firms. Further, technology continues to lower the barriers for entry and has given rise to Fintech companies that are offering payment solutions, peer-to-peer services and even advisory services. The Banks are investing significantly in technology (aka Digital is Default) to managing this volatility, to address experience gaps, to pursue newer sources of revenue and to improve operational efficiency and agility.

Millennial HNIs have the wealth but not the time. TCS has created a **Robo Advisory** solution that offers automated, sophisticated, personalized and adaptive investment advice. Based on the risk preferences and the performance of the recommended portfolio, the **Robo Advisor** would adapt the advice. This solution has helped banks in attracting new customers to their fold.

Insurance companies have tried to install telematics devices in their consumers' vehicles but haven't found favour. TCS has reimagined the scenario by leveraging the ubiquitous smartphone. We developed a comprehensive solution – using the distributed power of smartphone - that captures telematics data on speed, braking, lane changes to understand driving behaviour and the quality of driving. This helped the insurer in having a high quality engagement with customers and in **reducing premiums by 14%** for better drivers.



Banks continue to face a dynamic regulatory environment. They need a single source of truth to make compliance efficient. TCS developed the World's largest cloud cluster (**500+ Nodes**) to help one of its customers to simplify its Information flows for an accelerated data quality compliance and a significant improvement in data governance. The Bank is, now, successfully using this for reaping the benefits through a single view of customer and improved Fraud Detection.

Banks have the customers but need to continuously adapt to newer experiences being provided by other industries (including Social). TCS helped DNB, the largest financial services group in Norway, launch Vipps, a peer-to-peer mobile payments application. Vipps makes money transfers as easy as sending an SMS. While shaping the peer-to-peer money movement market, Vipps has become the #1 downloaded App in Norway. Approximately **25% of Norway's population** uses 'Vipps', and **85% of Norwegians** know about it.



Shaping the Future of Life Sciences

Engineers are the new doctors! With Digital technologies, it is possible to accelerate drug discovery, develop personalised medicine and craft personalised medical implants. This is improving patient outcomes in significant ways and improving their quality of life.

Using TCS IP, Advanced Drug Development (ADD) platform, pharmaceutical companies are boosting R&D productivity. One of our customers was able to realize multi million dollar savings by carrying out 35+ Studies in just 2 years, supporting 4,300+ study sites & 21,000+ patients. Customer plans to onboard many more studies by this year-end.

Knee implants can improve quality of life but they can be very painful with long recovery times for patients. TCS' expertise in Digital technologies creates personalised cutting blocks for knee implants that result in 19% less operative time, 31% less blood loss, and more than 26% reduction in patient recovery time. More than 70,000 patients have benefited from these personalized surgeries.



Even today we do not understand the genetics of most inherited, rare disorders. Diagnosis of rare and potentially fatal disorders at birth remains a pressing need. Using genome sequencing the TCS GeMS (Genomics and Metagenomics) platform has been used to successfully diagnose the

genetic causes of various immune and metabolic disorders. Disorders such as Ataxia, SCID, Nijmegen Breakage Syndrome, PKU and novel autoimmune disorders have been diagnosed using the platform helping clinicians treat patients more effectively.



Shaping the Future of India

Consumers are increasingly choosing Digital channels including mobile to buy and consume the products and services they need. This also applies to the way citizens today want to access public services. India has the potential to leapfrog most societies in its use of technology to drive development and growth by using social and technology-based platforms in order to leverage the new digital infrastructure that is rapidly being built and deployed across the country. India today boasts of over a billion mobile connections and its netizens are among the largest user bases on global social platforms.

The Indian government is driving the 'Digital India' agenda through multiple policies and initiatives – leveraging the Aadhar card to promote cashless transfers to beneficiaries; incentivising the creation of new Smart Cities, or facilitating mobile payments by licensing new 'payments-only' banks. There are multiple initiatives taking place across different strata of the economy and TCS is proud to play a role in many of these facets.

Financial Inclusion: Consider policies that have enabled 450 million new 'nofrills' bank accounts to be opened by banks including 216 million through the Prime Minister's Jana Dhan Yojana scheme alone. TCS has been playing a significant part in enabling this vision. TCS platforms and software support 113 million accounts in 102 banks through cost-effective technology delivery models such as Bank-in-Box-on-Cloud, mobility in service delivery, financial gateway to ensure integration, interoperability, transaction and integrity and the remote control of field operations.

TCS' impact does not end there. Over 140 rural banks under NABARD use the TCS cloud platform to reach and service over 54 million customers. In addition, India's largest bank, State Bank of India, which runs on TCS BaNCS™, now has over 500 million accounts of 1.1 billion accounts in the country.

Digital Assessment: India is among the largest markets for examinations and assessments in the world. TCS has been playing a significant part in disrupting the higher education sector to bring in transparency, speed and high quality of assessments and examination.

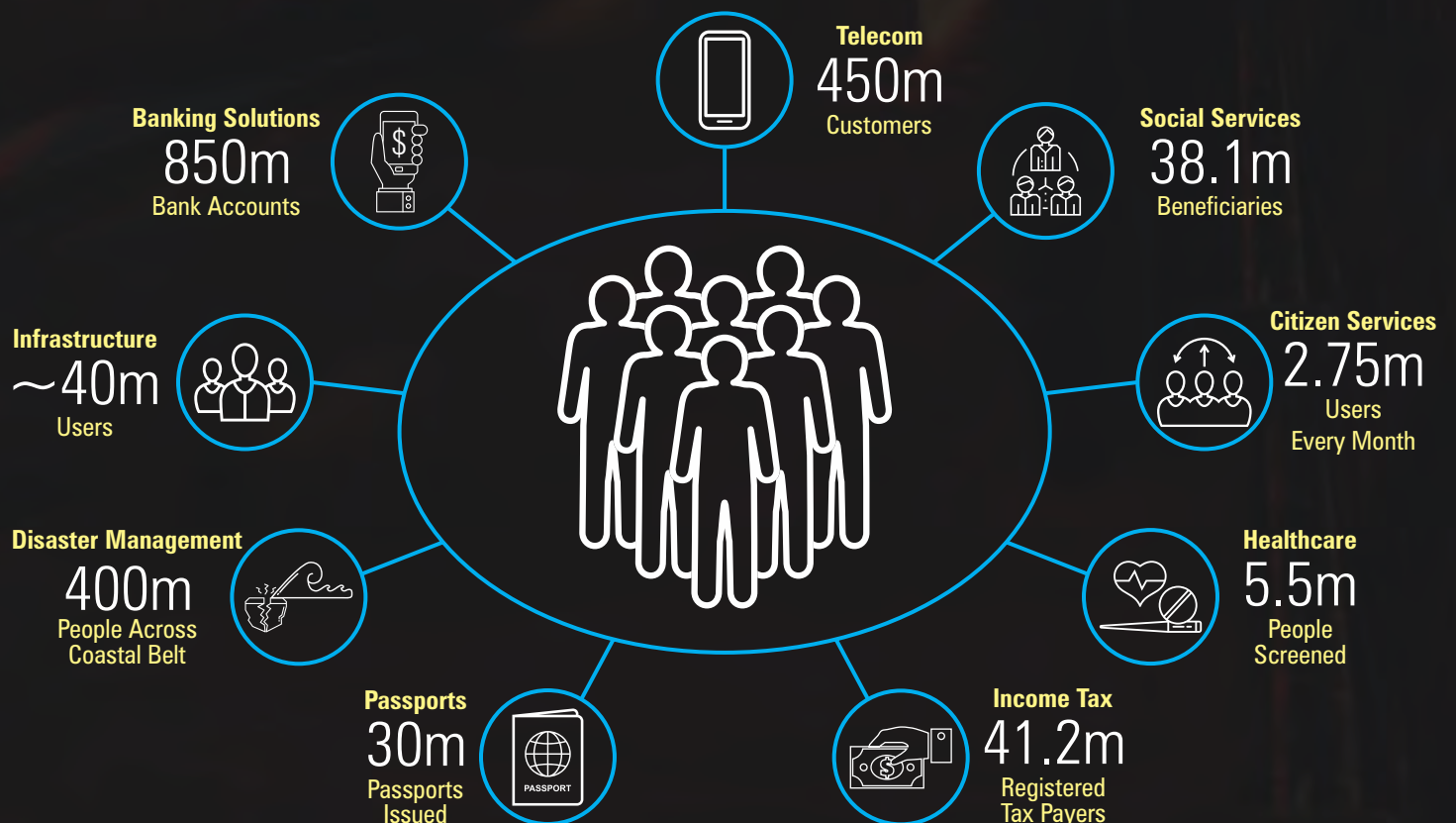
Till date, TCS' iON platform has assessed over 53 million candidates using its network of 4,330+ test centres across 460+ cities resulting in an overall reduction in effort by 70% for controller of Exams and most importantly, a massive reduction in overall cycle time from 8 months to 10 days.

Similarly, for board examinations, the iON platform has resulted in 40% reduction in evaluation process time for the three million answer books evaluated as on date with total elimination of transporting physical answer books with 99.99% reduction in re-evaluation requests.

TCS has changed the way consumers use mobile payment systems with its mWallet offering implemented with major telecom providers in India. mWallet provides customers with a new form of currency powered from their mobile phones. With millions of customers and a network of over 1,00,000 agents, spread across urban and rural India, mWallet platforms have successfully exploited mobile penetration to provide basic banking services on the mobile. Distribution of wages, government benefits, enabling e-commerce and many more new transactions on mWallet are truly making mobile the new bank account.



Impact in Numbers



Shaping the Future through Innovation

Industry Platforms

Optumera™

The Digital Merchandising Suite helps the world's top retailers optimize store space and choose the correct product mix. It is driving 3-5% sales improvement for our customers

iON™

Assessment, Learning & Evaluation platform is helping students learn better and exam bodies examine and evaluate candidates efficiently and seamlessly. This product has assessed more than 50 million candidates till date with an 88% reduction in turnaround time

Advanced Drug Development (ADD)

platform is transforming the clinical trial process for Life Sciences firms. ADD has helped conduct over 100 clinical trials for 7 customers, including for three out of top 10 global pharma companies

HOBS

is a comprehensive business platform for the Telecom industry standards and is enabling growth for 16 of our telecom customers.



World's first
Neural Automation System.
Helping companies
reimagine Enterprise IT

ignio™ is a cognitive system that applies AI technologies to convert IT operations services into intelligent software. ignio™ thinks and acts like an expert. It can understand a company's context and then provide appropriate recommendations. Enterprises that use ignio™ improve the speed of decisions and make their business proactive and resilient. ignio™ is the foundation for an AI powered business.

Focus areas for Research & Innovation

BFS

Blockchain, Frictionless Access, Robo Advisory

Retail

In-store experience, Digital store operations,
Multi-node supply chain

Manufacturing

Connected Cars, Predictive Maintenance

Life Sciences

Genomics, Medical Devices, Digital Clinical Trials

Service Platforms

CloudPlus

TCS' solutions suite for cloud infrastructure is driving 60% agility in IT provisioning

CHROMA™

TCS' HR platform to enable next generation employee experience, is gaining strategic traction in the market with five customers using the platform

TAP™

TCS' future ready Accounts Payable Platform has processed over 3 million invoices

Foundational Research

Metagenomics, Materials Engineering, Design, Analytics

Industry 4.0

Automation, Cognitive computing, IoT Platform

Governance

Compliance, Enterprise Security, Data Privacy

Sustainability

Mobile Agro Advisory, Intelligent Cities, Smart Grids



Building a Digital Learning Platform

The TCS Digital Learning Platform (DLP) is driving the reimagination of talent development at TCS. Through DLP, our entire workforce can access rich and fresh content any time, anywhere, on any device and can learn at their own pace. Today, 90% of learning is delivered through digital channels. Infusion of domain-specific content, curated journeys, case studies and engaging methods such as gamification, role play and hackathons has made it easy for employees to update their skills and learn new ways of working such as Agile & DevOps. TCS iClass infrastructure is delivering global, real-time immersive learning experience for expert-facilitated sessions. Our approach to align Digital learning to transformative programmes of our customers is gaining strong mindshare amongst our customers as well.

Digital Learning By Numbers

- **INFRASTRUCTURE**
 - 15 iClasses across 9 cities
 - VLabs on TCS Cloud with 25,000 concurrent user capacity with most Digital technologies already enabled
- **EXPERTISE IN 400+ DIGITAL TOOLS**
 - **Big Data & Next gen data platforms & processing engines**, covering Hadoop and ecosystem of tools, MongoDB, Spark
 - **Data science**, covering popular tools like R, Python
 - **Mobility engineering**, covering IoT, Android, Hybrid mobile apps and more
 - **Modern Web frameworks** covering Angular.js, node.js, ext.js, Grails, UX technologies
 - **Cloud technologies** covering AWS, Azure and platforms such as Bluemix, & Pivotal Cloud Foundry
 - Digital commerce solutions covering ATG, Hybris, Sterling OMS, Solr search and more
 - Composite Digital technologies including Internet of Things

- 83 Digital competencies offered
- 1,39,482 employees trained; 3,49,093 competencies
- 1,25,000+ Nano Videos
- 6,89,518 Learning Days for digital in FY16

Testimonials

"...a very good course that will help both senior leaders who are technologists and non-technologists"

"Fantastic efforts from all the faculty, and associates involved in this Channel Architecture training!"

"I like what I saw...the content is rich...and this is exactly what we need"

"Learning in such a healthy way...It has been a lot of fun"



Digital Talent Pipeline: Spot. Hire. Engage

TCS uses social media and gamification tools to hire and engage the best talent from around the world. Campus Commune, the student engagement platform, is used to nurture potential talent from engineering and management institutions. More than 8,00,000 students from 1,000+ Institutions participate actively on it. We use contests such as TESTimony, EngiNx, Game On and CodeVita, the largest one which drew 1,97,000 registrations across 18 countries, to spot and hire top talent. About 10% of the specialised campus recruitment for niche skills happens through such contests. After joining TCS, employees use the internal social networking platform Knome to collaborate and share knowledge. Knome helps break down organisational silos, encourages exchange of ideas amongst different teams and facilitates social learning.

Digital Hiring & Engaging By Numbers

Digital recruitment

- 1,000+ trees saved with our 100% paperless recruitment process

Gamification

- 3,10,000+ registrations received across all contests in FY16
- 30 % new visits week on week on Campus Commune
- 17,200+ blogs on Campus Commune
- 6,500+ Opinion Polls on Campus Commune

Social

- 3,50,000+ employees on internal social channels
- 3,22,000+ blogs

Collaboration

- 2,500+ communities
- 4,000+ ideas
- 650+ wikis
- 2,800+ surveys

Testimonials

"...with Campus Commune we can learn and develop our software skills before entering into the corporate world."

– Student

"Campus Commune is a place to share many things and gain knowledge from your peers."

– Student

"CodeVita is a great initiative which brings together numerous talented coders from different countries on one platform."

– Participant, CodeVita 2016

"I would like to recommend Code Vita to other students since it's a once in a lifetime experience and very enriching..."

– Runners Up, CodeVita 2016

From Employee Experience to ENGAGEMENT



TCS Purpose4life is all about volunteering for societal improvement. Education, Health and Environment are the main focus areas under which initiatives are carried out.

Under this programme, the interested associates take a pledge and commit to volunteer a minimum of 10 hours a year. Initiatives can be created by individuals or they can choose active initiatives in their locations and join the same.

TCS Purpose4life programme was launched in 2014-15 and there was a contribution of over 2,21,000 hours of volunteering. This year, 2015-16, we have crossed 6,00,000 hours of volunteering in March 2016. Associates find this a very satisfying way of giving back to the society and the best way of continuing the legacy of the Tatas. There are many dedicated volunteers who volunteer along with their family so that the spirit of social responsibility gets passed on to the coming generations as well.

2014-2015		TOTAL HOURS	2,21,307
		EDUCATION	1,18,749
		HEALTH	41,039
		ENVIRONMENT	61,519
		CORPORATE HOURS	90,949
		SELF INITIATIVE HOURS	1,30,358
		NUMBER OF INITIATIVES	2,302
		FAMILY HOURS	16,375

2015-2016		TOTAL HOURS	6,12,908
		EDUCATION	2,19,263
		HEALTH	2,16,270
		ENVIRONMENT	1,77,375
		CORPORATE HOURS	1,46,997
		SELF INITIATIVE HOURS	4,65,911
		NUMBER OF INITIATIVES	2,868
		FAMILY HOURS	29,508



Fit4life is TCS' wellness programme with three objectives – improving employee health, increasing camaraderie among associates and contributing to the society.

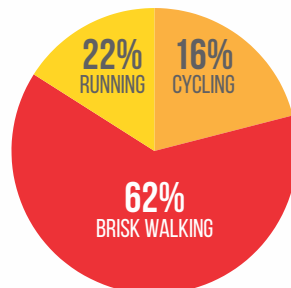
Associates in teams set yearly fitness targets in kilometers or hours. They choose fitness activities and log the efforts into TCS Fit4life. To assist the associates to log their efforts conveniently, a web portal and a mobile app is available.

At the end of the year, TCS donates an amount, corresponding to total efforts, to charity.

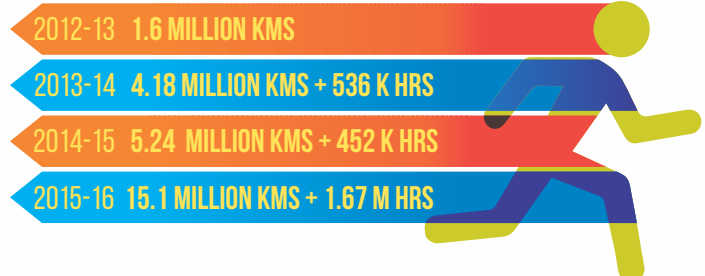
% CONTRIBUTION TO HOURS AND KMS FROM DIFFERENT GEOS

GEOGRAPHY	% HOURS	% KM
APAC	1.58	1.37
EUROPE	0.58	1.52
INDIA	94.10	93.28
LATAM	1.03	0.90
MEA	0.11	0.12
NORTH AMERICA	2.08	1.86
UK	0.52	0.94

ACTIVITY TYPE



TOTAL KMS SINCE 2012



Transforming India's Premier Public Healthcare Institutions

Over 60 years ago, the All India Institute of Medical Sciences was founded in New Delhi, with a vision of providing world class healthcare services. However, the influx of patients far exceeded its capacity, leading to acute mismanagement and increasing pressure on the country's largest hospital, resulting in poor healthcare quality.

In December 2015, AIIMS, in partnership with Tata Consultancy Services, launched the transformation of its OPD care delivery with the immediate goal of creating patient-friendly systems and providing easy access to the finest healthcare delivery systems in India.

'It was not just a CSR activity which TCS has done, they have done with their heart and put their soul in it'.

Shri JP Nadda,
Hon'ble Minister for Health and Family Welfare



(Scan the QR code
to watch the video)

This joint commitment successfully revolutionised the healthcare system in India, setting a benchmark in human effort and competency resulting in the Innovative OPD Process.

With the transformation of the AIIMS OPD, TCS envisions a proprietary and robust model that is replicable and scalable enabling quick roll out across public sector hospitals in India and elsewhere.

A social initiative by TCS in partnership with the Government of India, the AIIMS OPD transformation uses technology, innovative process technique, yet again, to improve the life of the common man to drive change and to transform India.

Programme Benefits

TCS + AIIMS: Transforming Patient Care



Online

Increase in prior
appointments 73%

Processing time cut to
50 seconds



Counters
Increased

18 (new) Single
Window Exit Counters

Extra seating – 2,550
(Total – 4,050)



Improved
Signage

120 Patient Care
Coordinators

Waiting Time reduced from 6 to 2 hours



Impacting the Community – Swachh Bharat

At Tata Consultancy Services, we change lives. As the largest corporate contributor to the Prime Minister's "Swachh Bharat, Swachh Vidyalaya" movement, TCS is providing girls an opportunity to shine by giving them a healthy childhood. A childhood that is free of unhygienic sanitary conditions so that these young, bright students can focus on their academics rather than worry about falling ill. As 47% of schools in India don't have a separate girl's toilet this leads to a less than conducive learning environment.

TCS analysed the problem and found a holistic solution taking into account infrastructure, maintenance and education. The solution was not only implementable, but also sustainable while at the same time raising awareness about hygiene. Covering four states in India, TCS has changed the lives of over 80,000 students in over 1,400 schools and has given many girls the opportunity to strive for a better life.

"We congratulate Tata Consultancy Services for its commitment towards a cleaner and healthier India. TCS' comprehensive approach to sanitation, offering end-to-end solutions and results oriented action is an important step towards sustainable WASH outcomes."

USAID, India



एक कदम स्वच्छता की ओर

OTHER
CORPORATES
57.45%

1,991 SCHOOLS

TCS
42.55%
(1,400+ SCHOOLS)



TCS HAS CHANGED THE LIVES
OF OVER 80,000 STUDENTS IN
OVER 1,400 SCHOOLS



COVERING 4 STATES
IN INDIA



OVER 40% OF SCHOOLS
IN INDIA DON'T HAVE
A SEPARATE GIRL'S TOILET



(Scan the QR code to watch the video)



Taking STEM to grassroots

Our STEM – Science, Technology, Engineering, Math – programme focuses on inspiring young minds to take up a career in technology. It is designed to empower students to master digital technologies through innovative technology learning platforms. With a global footprint covering North America, UK, Europe, Asia Pacific and India, this programme has impacted over 60,000 students with 7,000 TCS volunteers contributing over 45,000 volunteer hours.

Global footprint - North America, UK, Europe, Asia Pacific, India

Impacted **60,000+** students

7,000+ TCS volunteers

Contributing **45,000+** volunteer hours



golT students,
Stockholm, Sweden



Pre-final year students of the
Jawaharlal Institute of Technology, Madhya Pradesh, India



Go4IT students,
Melbourne, Australia



Students presenting at the
golT finale, at Boys and Girls Club,
Jersey City, USA



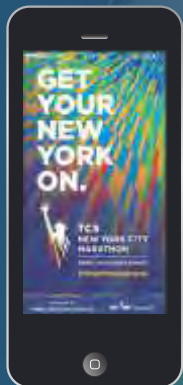
Students participating in
the Mission UK programme, UK



(Scan the QR code
to watch the video)

Building a Healthy Active Community

**TATA
CONSULTANCY
SERVICES**



3,00,000+
downloads of the apps

\$ 34mn +
raised for charity



For over a decade now, TCS has been actively involved in promoting a healthy, active lifestyle. Globally, we have been leveraging our Fit4Life initiative as well as external partnerships with leading international distance running properties to promote wellness and community development among our employees, their families and our customers. Over the past 10 years TCSers have raised over \$34 million benefiting causes from heart disease, diabetes to education for the differently abled.

Our efforts in making each of these events completely technology driven is gaining momentum with our digital services team provided real time analysis and updates during each race. The official apps for each event have been created by TCS and we have had a record number of downloads this year – over 3,00,000.

Races in other cities that we sponsor:

Amsterdam

Official Technology Partner
and Title Sponsor of the
TCS Amsterdam Marathon

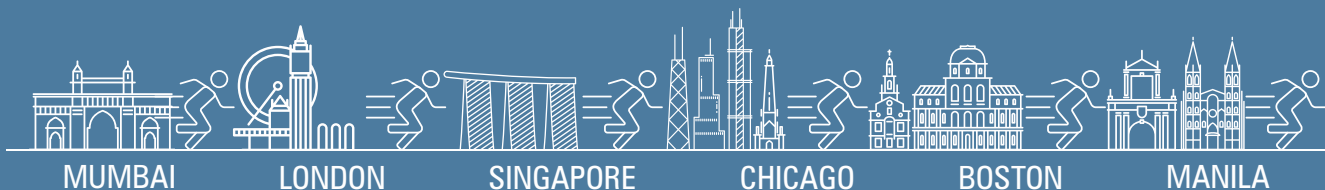


Bengaluru

Title Sponsor of the
TCS World 10K Bengaluru

New York

Title Sponsor of the
TCS New York City Marathon



Awards

From April 2015 – March 2016

Business Leadership

- World's most powerful brand in IT Services - Brand Finance
- Ranked 57 among Top 100 US Brands by Brand Finance
- Forbes list of World's Most Innovative Companies
- Dun & Bradstreet Corporate Award
- #1 ranking, customer satisfaction - Whitelane Research
- Recognized as a Global Top Employer by the Top Employers Institute
- Ranked Number 1 - IDC Financial Insights FinTech Rankings Top 100
- Winner 'Best Practice in Developing Future Leaders' Award at the Best Leadership Development Practices of Asia Awards
- Recognized as 'Superbrand' by Superbrands® (UK) list for business-to-business brands
- TCS UK & Ireland wins 'Company of the Year' and 'Social Responsibility project of the Year' - Employee Engagement Awards
- Golden Peacock National Training Award
- TCS' Passport Seva Project was awarded Triple ISO Certification

- Ranked Number 1 in Dataquest's Top 20 list of Indian IT companies
- Winner 'Make In India Awards for Excellence'
- Recognised for the 'Best In House IP Team of the year - IT & Technology' at Global IPR Conclave
- Winner three Gold awards at the Tata Institute of Social Sciences (TISS) - Leapvault CLO Awards India
- Wins multiple awards as part of the Global HR Excellence Awards and Recruiting and Staffing Best in Class (RASBIC) awards - World HRD Congress.
- Number One Best Employer Brand and BPO Organization of the Year by the World HRD Congress - Global HR Excellence Awards.
- 'Best Places to Work For' and Number One in the BPS sector - Business Today – People Strong Survey

Sustainability

- Dow Jones Sustainability Index 2015

Partner

- SAP® Pinnacle award
- Red Hat's 'System Integrator Partner of the Year' for North America
- Hitachi Data System's Global System Integrator Partner of the Year
- 'Fastest Growing SI Partner of the Year' - Expericon 2015
- Business Transformation Award - Pegasystems Partner Excellence Awards
- Winner, IBM Mobile App Throwdown Contest 2015 for Business Partners
- Oracle Excellence Award for Specialized Partner of the Year – AsiaPac, North America
- GSI Partner of the Year Award at Dell World 2015

Leadership

N Chandrasekaran:

- Ranked 'Best CEO', Technology/ IT Services & Software sector - Institutional Investor's 2015 All-Asia Executive Team rankings
- Qimpro Platinum Standard Award 2015 (Business)
- Business Today's Best CEO (IT & ITES)
- Appointed part-time non-official director on the central board of the RBI

Board of Directors

Cyrus Mistry (Chairman)

N Chandrasekaran (CEO & Managing Director)

Aman Mehta

V Thyagarajan

Prof. Clayton M Christensen

Dr. Ron Sommer

Dr. Vijay Kelkar

Ishaat Hussain

O. P. Bhatt

Phiroz Vandrevala

Aarthi Subramanian (Executive Director)

Company Secretary

Suprakash Mukhopadhyay

Statutory Auditors

Deloitte Haskins & Sells LLP

IFRS Auditors

Deloitte Haskins & Sells LLP

Registered Office

9th Floor, Nirmal Building

Nariman Point, Mumbai 400 021

Tel : 91 22 6778 9595

Fax : 91 22 6778 9660

Website : www.tcs.com

CIN : L22210MH1995PLC084781

Corporate Office

TCS House

Raveline Street, Fort

Mumbai 400 001

Tel : 91 22 6778 9999

Fax : 91 22 6778 9000

E-mail: investor.relations@tcs.com

Registrars & Transfer Agents

TSR DARASHAW Limited

6-10, Haji Moosa Patrawala Industrial Estate

20, Dr. E. Moses Road, Mahalaxmi

Mumbai 400 011

Tel : 91 22 6656 8484

Fax : 91 22 6656 8494

E-mail: csg-unit@tsrdarashaw.com

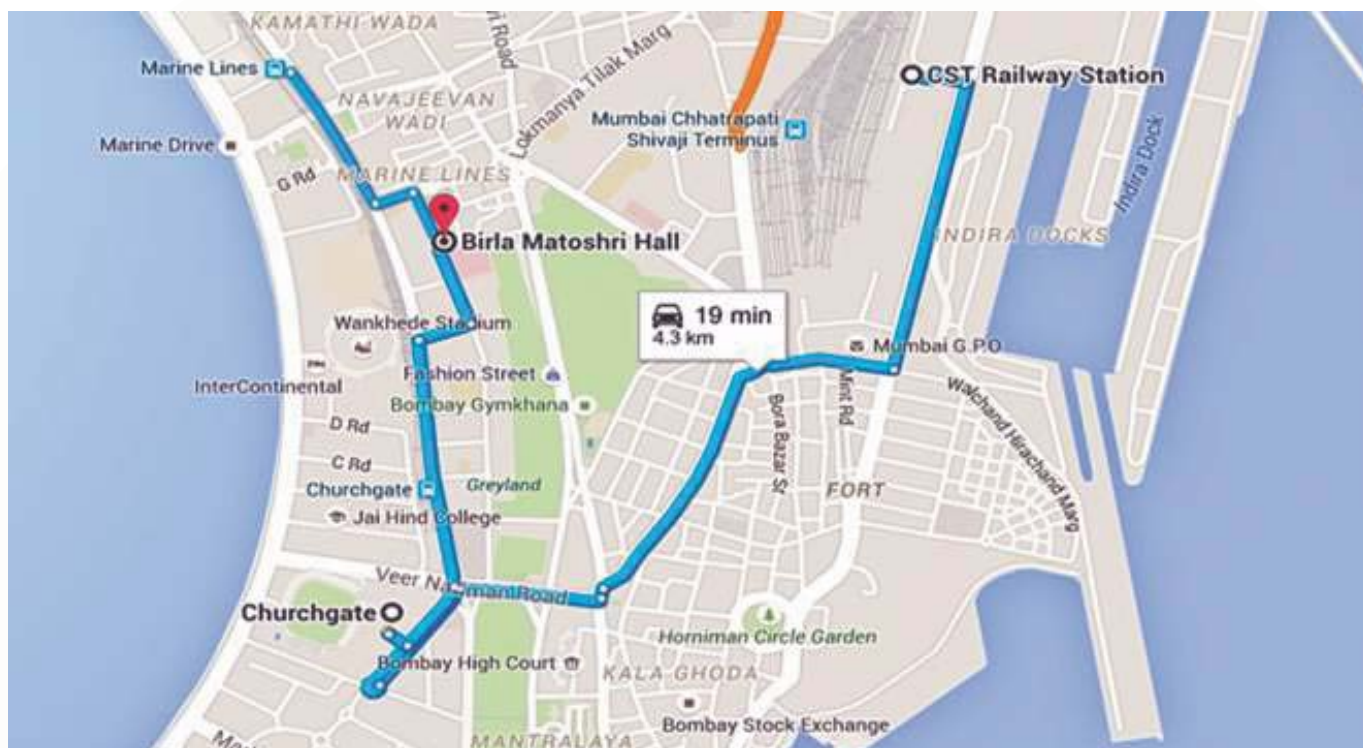
Website: www.tsrdarashaw.com

Management Team

Function	Name
Corporate	
Chief Executive Officer & Managing Director	N Chandrasekaran
Global Head, Delivery Excellence, Governance & Compliance	Aarthi Subramanian
Chief Financial Officer	Rajesh Gopinathan
Global Head, Human Resources	Ajoyendra Mukherjee
Company Secretary & Treasury	Suprakash Mukhopadhyay
Marketing	John Lenzen
Communication	Pradipta Bagchi
Research & Development	K Ananth Krishnan
Legal	Vishwanathan Iyer
Geography Heads	
North America, UK & Europe	Surya Kant
Latin America	Henry Manzano
India, Middle-East & Africa	Ravi Viswanathan
Asia Pacific	Girish Ramachandran
Japan	AS Lakshminarayanan
Strategic Growth Unit Heads	
Financial Solutions	NG Subramaniam
iON	Venguswamy Ramaswamy
Industry Service Unit Heads	
Banking & Financial Services	K Krithivasan
Banking & Financial Services	Susheel Vasudevan
Banking & Financial Services	Ramanamurthy Magapu
Insurance & Healthcare	Suresh Muthuswami
Retail, Travel & Consumer Products	Pratik Pal
Life Sciences, Manufacturing & Energy	Debashis Ghosh
Manufacturing	Milind Lakkad
Communication, Media & Information Services	Kamal Bhadada
Service Unit Heads	
Enterprise Solutions & Global Consulting Practice	Krishnan Ramanujam
Engineering & Industrial Services	Regu Ayyaswamy
Business Process Services	Dinanath Kholkar
IT Infrastructure Services	P R Krishnan
Assurance Services	Siva Ganesan
Digital Enterprise Services & Solutions	Satya Ramaswamy

Route Map to the AGM Venue

Venue : Birla Matoshri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400020



Landmark: Next to Bombay Hospital

Distance from **Churchgate Station:** 1 km

Distance from **Chhatrapati Shivaji Terminus:** 1.2 km

Distance from **Marine Lines Station:** 0.8 km

Notice

Notice is hereby given that the twenty-first Annual General Meeting of Tata Consultancy Services Limited will be held on Friday, June 17, 2016 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, 2016, 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, 2016, 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 2015-16.
3. To appoint a Director in place of Mr. Ishaat Hussain (DIN 00027891), who retires by rotation and, being eligible, offers himself for re-appointment and his term would be up to September 2, 2017.
4. Ratification of Appointment of Auditors

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and all 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 Company hereby ratifies the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-second AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

5. Appointment of Branch Auditors

To consider and, if thought fit, to pass with or without modification(s) 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 and 5 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”), of the person seeking re-appointment as Director under Item No. 3 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. 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 Wednesday, June 8, 2016 and Thursday, June 9, 2016.
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.

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2015-16

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 24, 2016 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 Tuesday, June 7, 2016;
 - 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 Tuesday, June 7, 2016.

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 (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, 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 IEPF or the Company for the amounts so transferred.

Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2008-09 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 2008-09 declared by the Company on June 30, 2009 can be claimed by the Members by June 29, 2016 and unclaimed Final Dividend for the financial year 2008-09 declared by erstwhile CMC Limited on June 26, 2009 can be claimed by the Members by June 25, 2016. 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 amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends,

as on the date of last AGM i.e. June 30, 2015, on the website of the IEPF viz. www.iepf.gov.in and under 'Investors' section on the website of the Company viz. www.tcs.com.

13. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
14. The Notice of the AGM along with the Annual Report 2015-16 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 2015-16 will also be available on the Company's website viz. www.tcs.com
15. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / TSRDL. Members are requested to provide their e-mail address through SMS along with DP ID/Client ID to +91 9223990629 and ensure that the same is also updated with their respective DP for their demat account(s). The registered e-mail address will be used for sending future communications.
16. The route map showing directions to reach the venue of the twenty-first AGM is annexed.
17. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.
18. 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 Dhabliwala, 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.
19. 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.
20. 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.
21. 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 e-mail and also open 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.
 - 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.
 - 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.
 - 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 103968. 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.

TATA CONSULTANCY SERVICES LIMITED

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- 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, with a copy marked to evoting@nsdl.co.in.
 - xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no: 1800-222-990.
- B. In case a Member receives 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 14, 2016 (9.00 a.m. IST) and ends on Thursday, June 16, 2016 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, June 10, 2016 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 remote e-voting, as well as 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. 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.
 - iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, 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 three days 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 and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors

SUPRAKASH MUKHOPADHYAY

Vice President and Company Secretary

Mumbai, April 18, 2016

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 Website: www.tcs.com

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

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 and 5 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, (ICAI Firm Registration No. 117366W/W-100018), Chartered Accountants, Mumbai were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on June 27, 2014, to hold office from the conclusion of the nineteenth AGM till conclusion of the twenty-second AGM to be held in the year 2017.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 4 of the Notice.

The Board commends the Resolution at item No. 4 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 at Item No. 4 of the accompanying Notice.

Item No. 5:

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. 5 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 at Item No. 5 of the accompanying Notice.

By Order of the Board of Directors

SUPRAKASH MUKHOPADHYAY
Vice President and Company Secretary

Mumbai, April 18, 2016

Registered Office:

9th Floor, Nirmal Building

Nariman Point

Mumbai 400 021

CIN : L22210MH1995PLC084781

Tel: 91 22 6778 9595 Fax: 91 22 6778 9660

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TATA CONSULTANCY SERVICES LIMITED

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Details of Director Seeking Re-appointment at the Annual General Meeting

Particulars	Mr. Ishaat Hussain
Date of Birth	September 2, 1947
Date of Appointment	January 5, 2010
Qualifications	Bachelor's degree in Economics from Delhi University, Chartered Accountant from England and Wales, Completed the Advanced Management Program conducted by Harvard University
Expertise in specific functional areas	Wide experience in Finance
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	<ul style="list-style-type: none"> • Tata Sons Limited • Tata Steel Limited • Voltas Limited • Tata Teleservices Limited • Tata Sky Limited • Tata AIG General Insurance Company Limited • Tata AIA Life Insurance Company Limited • Tata Capital Limited • The Bombay Dyeing & Manufacturing Company Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	<p><i>Audit Committee</i></p> <ul style="list-style-type: none"> • Tata Steel Limited • Tata Teleservices Limited* • Tata Sky Limited • Tata AIA Life Insurance Company Limited • The Bombay Dyeing & Manufacturing Company Limited* <p><i>Stakeholders' Relationship Committee</i></p> <ul style="list-style-type: none"> • Tata Steel Limited*
Number of shares held in the Company	1,740

*Chairman of the Committee

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 Mr. Ishaat Hussain, please refer to the Corporate Governance Report.

Directors' Report



Directors' Report

To the members,

The directors submit annual report of Tata Consultancy Services Limited (the "Company" or "TCS") along with the audited financial statements for the financial year (FY) ended March 31, 2016. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Financial results

(₹ crores)

	Unconsolidated		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue from operations	85,863.85	73,578.06	108,646.21	94,648.41
Operating expenditure	58,914.64	52,549.86	78,056.42	70,166.70
Earnings before interest, tax, depreciation and amortisation (EBITDA)	26,949.21	21,028.20	30,589.79	24,481.71
Other income (net)	3,740.20	4,466.73	3,053.87	3,229.91
Finance costs	13.58	79.57	19.83	104.19
Depreciation and amortisation expense	1,559.19	1393.77	1947.96	1,798.69
Profit before exceptional item and tax	29,116.64	24,021.59	31,675.87	25,808.74
Exceptional item	-	528.38	-	489.75
Profit before tax (PBT)	29,116.64	24,549.97	31,675.87	26,298.49
Tax expense	6,233.94	5,293.01	7,300.93	6,238.79
Profit for the year before minority interest	22,882.70	19,256.96	24,374.94	20,059.70
Minority interest	-	-	83.12	207.52
Profit for the year (PAT)	22,882.70	19,256.96	24,291.82	19,852.18
Adjustment for amalgamation of acquired subsidiaries	1075.31	71.78	-	-
Balance brought forward from previous year	35,779.06	36,420.45	39,012.65	39,504.51
Amount available for appropriation	59,737.07	55,749.19	63,304.47	59,356.69
Appropriations				
Interim dividends on equity shares (excluding tax)	3,251.22	10,772.92	3,251.22	10,772.92
Proposed dividend on equity shares (excluding tax)	5,320.16	4,700.95	5,320.16	4,700.95
Tax on dividends (interim and proposed)	1,648.16	2,591.54	1,653.34	2635.69
Write back of tax on dividends of prior year	(18.72)	(20.97)	(18.72)	(20.97)
Capital redemption reserve	-	-	110.48	255.57
General reserve	2,288.27	1,925.69	2,303.77	1,953.64
Statutory reserve	-	-	65.52	46.24
Balance carried to balance sheet	47,247.98	35,779.06	50,618.70	39,012.65

(₹ 1 crore = ₹ 10 million)

2. Issue of equity shares

In pursuance of the scheme of amalgamation ("the Scheme") sanctioned by the Hon'ble High Court of Judicature at Bombay vide its Order dated August 14, 2015 and the Hon'ble High Court of Judicature at Hyderabad vide its Order dated July 20, 2015, 1,16,99,962 equity shares of the Company were issued to the shareholders (other than the Company) of the erstwhile CMC Limited ("CMC") on October 5, 2015, in the ratio of seventy nine (79) equity shares of ₹ 1 each of the Company, for every one hundred (100) equity shares of ₹ 10 each of CMC. As a result of this, the issued, subscribed and paid up capital of the Company has increased from ₹ 195.87 crores in FY 2014-15 to ₹ 197.04 crores in FY 2015-16.

3. Dividend

Based on the Company's performance, the directors are pleased to recommend for approval of the members a final dividend of ₹ 27 per share for the FY 2015-16 taking the total dividend to ₹ 43.50 per share (previous year ₹ 39 per share and special dividend of ₹ 40 per share). The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 6,403.22 crores including dividend tax. The total dividend on equity shares including dividend tax for the FY 2015-16 would aggregate ₹ 10,219.54 crores, resulting in a payout of 44.66% of the unconsolidated profits of the Company.

4. Transfer to reserves

The Company proposes to transfer ₹ 2,288.27 crores to the general reserve out of the amount available for appropriation and an amount of ₹ 47,247.98 crores is proposed to be retained in the profit and loss account.

5. Company's performance

On consolidated basis, revenue from operations for FY 2015-16 at ₹ 1,08,646.21 crores was higher by 14.79% over last year (₹ 94,648.41 crores in FY 2014-15). Earnings before interest, tax, depreciation and amortisation ("EBITDA") was ₹ 30,589.79 crores registering a growth of 24.95% over EBITDA of ₹ 24,481.71 crores in FY 2014-15. Profit after tax ("PAT") for the year was ₹ 24,291.82 crores recording a growth of 22.36% over the PAT of ₹ 19,852.18 crores of FY 2014-15.

On unconsolidated basis, revenue from operations for FY 2015-16 at ₹ 85,863.85 crores, was higher by 16.70% over last year (₹ 73,578.06 crores in FY 2014-15). EBITDA at ₹ 26,949.21 crores registered a growth of 28.16% over the EBITDA of ₹ 21,028.20 crores in FY 2014-15. PAT for the year was ₹ 22,882.70 crores registering a growth of 18.83% over the PAT of ₹ 19,256.96 crores in FY 2014-15.

6. Human resource development

As every industry globally is being re-shaped by digital technologies, individuals are transforming themselves to stay relevant and succeed in a digital world. The focus of the Company has been to leverage digital re-imagination to drive growth and efficiency of business models, products and services, business processes as well as the workplace. This helps deliver a superior experience to every key stakeholder, viz. customers, employees, investors and the community.

Successful delivery of digital initiatives is contingent on gaining new capabilities in multiple digital technologies that are evolving at a rapid pace. The Company invested in developing new digital learning delivery platforms and content creation. These quick adoptions of expanded learning architecture enabled the Company to successfully train more than 120,000 employees on digital technologies in FY 2015-16. This new disruptive vision in learning and development has driven career growth of a large cross-section of the distributed as well as diverse workforce and helped them realise their potential.

The Company hired and integrated 90,182 employees across the globe in FY 2015-16. This is the highest gross addition done by the Company during any year. Employees of erstwhile CMC Limited were welcomed into the global TCS family and assisted to integrate. A smooth transition and integration into TCS has been possible due to the Company's well-established people processes, emphasis on personal connect and concerted effort by cross functional integration teams. The Company has 353,843 employees representing 129 nationalities working across 55 countries. On gender diversity, the Company is one of the largest employers of women in India, constituting 33.8% of the global workforce with a growing number in senior positions.

The Company's social collaborative platform – 'Knome' continues to transform the way TCSers interact socially as well as professionally. As a progressive organisation, workforce policies and benefits have been periodically reviewed for continued relevance to employees' needs and to keep abreast of market practices.

One of the flagship programmes of TCS, 'Purpose4Life', saw an overwhelming participation from TCSers globally, contributing over 600,000 hours of volunteering effort to make a positive impact in their communities. The Company's Health and Safety Policy commits to providing a healthy and safe work environment to employees. The 'Fit4Life' initiative, with an active participation of employees across the world, creates a culture of healthy lifestyles by building a fraternity of health and fitness-conscious employees. Safety of employees remains an important focus for the organisation. 'Safety First' initiative was launched last year and safety champions in various locations have run several programmes in order to advocate the importance of safety consciousness and awareness.

Employee inputs from 'PULSE', the Company's annual global employee satisfaction and engagement survey, were analysed to gain necessary insight into the needs of the diverse workforce. This has helped the Company design required interventions to enhance the level of employee engagement.

The Company continues its focus on employee retention. The Company's performance-driven culture with a strong focus on employees' career aspirations, rewards & recognition and total-welfare helped maintain a low attrition rate of 15.5% in FY 2015-16. Various engagement initiatives under 'Maitree', employee welfare initiatives, healthcare & wellbeing benefits, stress management programmes, all add up to providing the employees with a complete career solution which creates a highly engaged place to work.

The Company has been certified as the Global Top Employer by Top Employers Institute. It got rated as the No. 1 Top Employer in UK & Europe and recognised as a Top Employer in 24 countries during FY 2015-16. This award is in recognition of the Company's talent strategy, workforce planning, on-boarding, learning & development, performance management, leadership development, career & succession management, compensation & benefits as well as Company culture.

7. Quality initiatives

The Company has sustained its commitment to the highest levels of quality, best-in-class service management, robust information security practices and mature business continuity processes that have collectively helped achieve significant milestones during the year.

The Company continues to maintain enterprise-wide highest maturity Level 5 for CMMI-DEV® (Development) version 1.3 and CMMI-SVC® (Services) version 1.3. The Company continues to adhere to ISO certification enterprise-wide for ISO 20000:2011 (Service Management), ISO 27001:2013 (Security Management) and ISO 22301:2012 (Business Continuity Management) standards. The Company has also been recommended for certification against the latest ISO 9001:2015 (Quality Management) standard and is one of the early adopters of this new ISO standard which was released in September 2015. The Company is enterprise-wide certified for ISO 14001:2004 (Environmental Management) and BS OHSAS 18001:2007 (Occupational Health and Safety Management) which demonstrates TCS' strong commitment to the environment and the occupational health and safety of its employees and business partners. The Company also continues to maintain industry specific quality certifications viz., AS 9100 (Aerospace Industry), ISO 13485 (Medical Devices) and TL 9000 (Telecom Industry).

The foundation of these certifications is TCS' integrated Quality Management System (iQMS™), a process-driven and customer-centric system providing a 'One Global Service Standard'. iQMS™ is the backbone that supports TCS' global network delivery model (GNDM™). iQMS™ continues to be enhanced for emerging service lines and delivery methodologies. The Company further invests in frameworks to enable best practice sharing and continuous risk management.

The Company has a strong mechanism for listening to the Voice of Customer through satisfaction surveys at Project level and Executive level. The feedback is analysed across multiple dimensions to drive improvement in Customer experience. The Company has significant focus on continuous improvements in Customer engagements as well as internal operations leveraging best-in-class methodologies. These initiatives have helped our teams proactively drive improvements and provide business value to our Customers.

The Company continues to invest in Knowledge Management and collaboration practices and platforms to enable learning and sharing. At the annual 'Knowledge Management' India summit, hosted by the Confederation of Indian Industries (CII) in February 2016, the Company was recognized as an Indian 'Most Admired Knowledge Enterprise' (MAKE) Winner. The Company received the prestigious MAKE award for the 11th time in India as well as Asia. In the Global Independent Operating Unit (IOU) MAKE award category, the Company received the award for the 6th time in a row and was ranked first for the year 2015.

8. Subsidiary companies

The Company has 61 subsidiaries as on March 31, 2016. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to provisions of section 129(3) of the Act, a statement containing salient features of the 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.

During the year, the following subsidiaries were incorporated:

- a. Tata Consultancy Services Saudi Arabia was incorporated on July 30, 2015 in partnership with GE, with equity holding in the ratio of 76:24 between Tata Consultancy Services Netherlands BV and GE. It is the first all-women business process and IT services centre in Riyadh, Kingdom of Saudi Arabia, and has achieved the milestone of employing 1,000 highly skilled women, 85% of whom are local nationals, providing long term career opportunities to women in the region. This center provides services to several clients operating in multiple countries in the Middle East region.
- b. Tata Consultancy Services Chile S.A. and TCS Inversiones Chile Limitada subscribed to 100% share capital of Technology Outsourcing S.A.C, an information technology service provider in Peru on October 30, 2015.

During the year, CMC was amalgamated with the Company pursuant to the Orders of the Hon'ble High Court of Judicature at Bombay and the Hon'ble High Court of Judicature at Hyderabad. Consequently, the entire business, assets, liabilities, duties and obligations of CMC were transferred to and vested in the Company with effect from the appointed date, i.e. April 1, 2015.

9. Directors' responsibility statement

Pursuant to section 134(5) of the Companies Act, 2013, 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 were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including 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 2015-16.

10. Directors and key managerial personnel

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 meets 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 independent director during the year.

Mr. Ishaat Hussain retires by rotation and being eligible has offered himself for re-appointment. If re-appointed, his term would be up to September 2, 2017, in accordance with the retirement age policy for directors of the Company.

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

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are - Mr. N. Chandrasekaran, Chief Executive Officer and Managing Director, Mr. Rajesh Gopinathan, Chief Financial Officer and Mr. Suprakash Mukhopadhyay, Company Secretary. There has been no change in the key managerial personnel during the year.

11. Number of meetings of the board

Eight meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms 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 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 the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

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

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the 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 addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman 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 forms 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 & analysis, which forms part of this report.

15. Audit committee

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

16. Auditors

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the nineteenth annual general meeting (AGM) of the Company held on June 27, 2014 till the conclusion of the twenty second AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

17. Auditors' report and secretarial auditors' report

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an annexure which forms part of 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. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms 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 falls under the scope of section 188(1) of the Act. 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 forms 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 forms part of this report. The policy is available on the website of the Company (URL: www.tcs.com/investors).

22. Extract of annual return

As provided under section 92(3) of the Act, the extract of annual return is given in **Annexure III** in the prescribed Form MGT-9, which forms 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
Non-executive directors	
Mr. Cyrus Mistry	-
Mr. Aman Mehta	41.22
Mr. V. Thyagarajan	28.67
Prof. Clayton M. Christensen	22.40
Dr. Ron Sommer	30.47
Dr. Vijay Kelkar	24.19
Mr. Ishaat Hussain	31.36
Mr. O. P. Bhatt	25.09
Mr. Phiroz Vandrevala	11.65
Executive directors	
Mr. N. Chandrasekaran	459.84
Ms. Aarthi Subramanian	49.31

TATA CONSULTANCY SERVICES LIMITED

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- 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. Cyrus Mistry	-
Mr. Aman Mehta	(-) 8.00
Mr. V. Thyagarajan	(-) 13.51
Prof. Clayton M. Christensen	(-) 19.35
Dr. Ron Sommer	(-) 10.53
Dr. Vijay Kelkar	(-) 3.57
Mr. Ishaat Hussain	-
Mr. O. P. Bhatt	3.70
Mr. Phiroz Vandrevalla	30.00
Mr. N. Chandrasekaran, Chief Executive Officer and Managing Director	20.56
Ms. Aarthi Subramanian, Executive Director*	-
Mr. Rajesh Gopinathan, Chief Financial Officer	38.67
Mr. Suprakash Mukhopadhyay, Company Secretary	24.08

* Ms. Aarthi Subramanian was appointed on March 12, 2015, therefore, increase in her remuneration not provided.

- c. The percentage increase in the median remuneration of employees in the financial year:** 9.20%
- d. The number of permanent employees on the rolls of Company:** 353,843
- e. The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 8% in India.

Employees outside India received wage increase varying from 2% to 4%. The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organisation performance, apart from an individual's performance.

- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in FY 16 (₹ crores)	33.02
Revenue (₹ crores)	85,863.85
Remuneration of KMPs (as a % of revenue)	0.04
Profit before Tax (PBT) (₹ crores)	29,116.64
Remuneration of KMP (as a % of PBT)	0.11

- g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation (₹ crores)	495,769.52	498,897.81	(-) 0.63
Price Earnings Ratio	21.67	25.13	(-) 13.77

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2016 ₹	August 19, 2004 (IPO) ₹	August 19, 2004 (IPO)* ₹	% Change*
Market Price (NSE)	2,520.30	850.00	212.50	1086.02
Market Price (BSE)	2,516.05	850.00	212.50	1084.02

*Adjusted for 1:1 bonus issue in 2006 and 2009

- i. 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%. However, during the course of the year, the total increase is approximately 12%, after accounting for promotions and increase in hiring salaries for trainees.

Increase in the managerial remuneration for the year was 33.09%.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

	Mr. N. Chandrasekaran, Chief Executive Officer and Managing Director	Ms. Aarthi Subramanian, Executive Director	Mr. Rajesh Gopinathan, Chief Financial Officer	Mr. Suprakash Mukhopadhyay, Company Secretary
Remuneration in FY16 (₹ crores)	25.66	2.75	2.98	1.63
Revenue (₹ crores)	85,863.85			
Remuneration as % of revenue	0.030	0.003	0.003	0.002
Profit before Tax (PBT) (₹ crores)	29,116.64			
Remuneration (as % of PBT)	0.088	0.009	0.010	0.006

Note: Please refer to the note given under Section III.B.vii.b on page no. 112 of the Corporate Governance Report.

- k. The key parameters for any variable component of remuneration availed by the directors:**

The members have, at the AGM of the Company on June 27, 2014, approved 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.

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None.

- m. Affirmation that the remuneration is as per the remuneration policy of the Company:**

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

- n. The statement containing 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.**

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24. Disclosure requirements

As per SEBI Listing Regulations, corporate governance report with auditors' certificate thereon and 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 forms part of this annual report.

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:

Energy conservation continues to be an area of focus for TCS. Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices. The key initiatives towards conservation of energy were:

- a. adding LEED certified green buildings to real estate portfolio with a strong focus on energy efficiency at design stage itself;
- b. improved monitoring of energy consumption through smart metering and integration with building management systems;
- c. setting internal targets for energy performance improvement and institution of rigorous operational controls toward achieving these targets;
- d. creating awareness amongst associates on energy conservation through campaigns and events;
- e. focussing on enhancing the component of renewable power in our power sourcing strategy (through on-site solar power generation and third party purchase as feasible);
- f. extending green data center initiative to 28 data centers which contributes to energy efficiency (power utilisation efficiency) of these data centers; and
- g. increased focus on procurement of energy efficient equipment in line with our green procurement policy.

In FY 2015-16, TCS has continued to invest in expanding its energy management programme by extensive metering and leveraging its IT capabilities to develop a leading edge, scalable, cloud based 'Internet of Things' (IoT) platform on which 107 sites of its India operations (excluding CMC sites) are integrated for visibility of energy consumption and monitoring. Of these, 95 sites have been under active energy monitoring and management. This has resulted in an absolute energy savings of about 12.5 million kwh during the year for these 95 sites, and an adjusted savings of 29 million kwh after adjusting for growth in employees and any baseline revisions.

TCS has extended its enterprise wide certification under ISO 14001:2004 (Environmental Management System) covering its 115 offices globally. TCS was included in the prestigious Dow Jones Sustainability Index 2015 (world as well as emerging markets) for the third year in a row and was also included in the 'India Climate Disclosure Leadership Index' (CDLI), 2015.

Data on reduction in energy consumption and consequent reduction in carbon footprint have been provided in the business responsibility report.

Technology absorption, adaption and innovation:

The Company continues to use the latest technologies for improving 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

Research and Innovation at TCS are focused on two primary themes - digital technologies that are helping 're-imagine' the relationship between consumers and businesses across industries, and the continuing industrialisation of software and computing.

The Internet of Things (IoT), a composite of several digital technologies, is enabling new services to consumers. A number of research and innovation projects contributed to IoT offerings. The TCS IoT platform that is based on

research into cyber-physical systems in the innovation labs is now the backbone for offerings made by business units in areas such as retail, healthcare, energy, manufacturing, transportation and infrastructure. The factory employee health and safety wearable platform launched this year runs on the TCS IoT platform and features a real time two-way SOS alert and response mechanism while monitoring critical health and environmental parameters such as heart rate, body skin temperature, fall detection, immobility and carbon monoxide levels of workers. Related projects such as 'ageing in place' with Singapore Management University and the work with MIT Media Labs continue to make progress. Drone based applications, especially infrastructure management and damage assessment, were another area of importance in systems research.

The Company's research in the applications area focused on deep learning platforms bringing the power of analytics to several industries. Research in e-mail mining, voice analytics, natural language processing, robotics and services automation is ongoing. The Company continues to work on areas such as genomics and metagenomics towards personalising medicine.

Under software research work progressed on formal methods in verification and validation, model driven organisations and service design.

Solutions that have moved from research to business such as the neural automation platform Ignio and the social platform 'Knome', are creating impact. The accessibility platform is promoting universal design principles in applications, thereby enabling applications to become more inclusive and reach larger segments of society.

The TCS Co-Innovation Network (TCS COIN™) programme is expanding its footprint, both in academia as well as emerging technologies and incubators. TCS has established relationships with new partners in Australia (the University of Technology, Sydney, the University of Western Sydney and University of New South Wales). The Company is engaging with The Royal College of Art (London) and the National Institute of Design Ahmedabad for Design related initiatives. Apart from working through new and existing Academic Alliances, TCS Co-Innovation Network connected to several incubators and innovation hubs around the world. The full list is available at <http://www.tcs.com/research/Pages/academic-alliances.aspx>. The TCS Research Scholar Programme has funded 208 PhD scholars in five years (2010 -2015). The programme has been extended for another five years, by which the Company aims to support another 200 scholars through their doctoral work.

The Company's research and innovation departments continue to be in close touch with customers through a series of Innovation Days. The Company triggered high quality discussions on new technologies with three editions of TCS Innovation Forum in North America (New York City, Chicago and Silicon Valley) and one in London, and with Co-Innovation Events in Sydney, Australia and Helsinki, Finland. TCS researchers published around 500 papers in academic conferences and journals. TCS has filed for 2,842 patents and has been granted 341 patents. TCS was recognised as the 'Top IP Driven Organisation of the Year' in the category of 'Large Enterprises' at 'CII Industrial Intellectual Property Award 2015'.

For the 8th year in a row, TCS was on Forbes' Magazine's list of 'The World's Most Innovative Companies'. TCS innovators won many of the Tata Group awards such as for 'Challenges Worth Solving' and 'Tata Innovista'. 'e-Stetho', a product designed by TCS innovation labs – Kolkata, has won the '2016 Wearable Technology Product of the Year' award. Many researchers won individual awards in competitions.

The Company will continue working on the major themes of digital re-imagination and industrialisation and explore areas related to software, data and decision sciences, cyber-physical systems and the intersection of multiple sciences and industry domains with computing technologies.

Expenditure on R&D

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

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Expenditure incurred in the R&D centers and innovation centers of TCS during FY 2015-16 and FY 2014-15 are given below:

(₹ crores)

	Expenditure on R&D and innovation	Unconsolidated		Consolidated	
		2015-16	2014-15	2015-16	2014-15
a.	Capital	2.65	1.06	2.65	1.76
b.	Recurring	229.57	191.56	234.29	223.31
c.	Total R&D expenditure (a+b)	232.22	192.62	236.94	225.07
d.	Innovation center expenditure	780.36	620.62	884.42	684.18
e.	Total R&D and innovation expenditure (c+d)	1,012.58	813.24	1,121.36	909.25
f.	R&D and innovation expenditure as a percentage of total turnover	1.18%	1.11%	1.03%	0.96%

Foreign exchange earnings and outgo

Export revenue constituted 92.80% of the total unconsolidated revenue in FY 2015-16 (93.37% in FY 2014-15).

(₹ crores)

Foreign exchange earnings and outgo		2015-16	2014-15
a.	Foreign exchange earnings	81,884.73	71,818.32
b.	CIF Value of imports	502.10	570.61
c.	Expenditure in foreign currency	29,554.53	24,745.56

27. Acknowledgement

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

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

The directors appreciate and value the contributions made by every member of the TCS family.

On behalf of the board of directors

Cyrus Mistry
Chairman

Mumbai, April 18, 2016

Annexure I

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 / 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 2015-16. 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

Cyrus Mistry
Chairman

Mumbai, April 18, 2016

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. In India, the CSR projects carried out in FY 2015-16 such as training of J&K youth to promote employability, providing functional literacy to adults, technology support to cancer research institutes and hospitals, training of women to encourage entrepreneurship, education of underprivileged children, construction of sanitation facilities in rural schools, support to disaster relief efforts, maintenance of Chinnappanahalli lake, etc. have benefitted the target communities across the country. 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. Cyrus Mistry, Chairman of the Committee, Mr. O. P. Bhatt and Mr. N. Chandrasekaran.**3. Average net profit of the company for last three financial years for the purpose of computation of CSR:** ₹ 17,994 crores.**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 360 crores.**5. Details of CSR spent during the financial year:**

a. Total amount to be spent for the financial year: ₹ 360 crores.

b. Amount unspent: ₹ 66 crores.

Some of the large programmes in the areas of healthcare, education and promoting employability are multi-year 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.

N. Chandrasekaran

Chief Executive Officer and Managing Director

Cyrus Mistry

Chairman, Corporate Social Responsibility Committee

Mumbai, April 18, 2016

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 State and District where projects or programmes were undertaken	Amount Outlay (budget) project or programmes wise (₹ in crores)	Amount spent on the projects or programmes Subheads : (1) Direct Expenditure (2) Overheads (₹ in crores)	Cumulative Expenditure upto the reporting period (₹ in crores)	Amount Spent : Direct or through implementing agency
1.	Training and educating children, women, elderly, differently abled, scholarships, 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	123.18	71.16	71.72	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	131.93	71.30	78.96	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	1.09	1.09	1.09	Direct
4.	Desilting, repair and maintenance of Chinnappanahalli Lake	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	Bangalore	0.18	0.06	0.06	Direct
5.	Contribution to Prime Minister's National Relief Fund	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	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	13.80	Through implementing agency
7.	Contribution to TCS Foundation	Various sectors covered by Schedule VII of the Companies Act, 2013	Pan India	120.00	118.07	118.07	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	0.30	3.66	Direct
	Sub-total			399.33	280.22	291.81	
	Overheads				14.01		
	Total CSR Spend				294.23		

Form No. MGT-9**EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31, 2016**

[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:
 9th Floor, Nirmal Building,
 Nariman Point,
 Mumbai 400 021.
 Tel: 91 22 6778 9595
 Fax: 91 22 6778 9660
 Email: investor.relations@tcs.com
 Website: 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
 Website: 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 Palm 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 Nirmal, 9th floor, 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 -	75	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 Akaria, Centre II, 7 th Floor, Office No 712, 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 Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, 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 -	90	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)

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Sr. 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 Messelturn, 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 Via Dei Piatti, 4, C/o. Business Centre Thurma, 20123 Milano, 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 Alges Portugal	- do -	- do -	100	2(87)
28.	Tata Consultancy Services Luxembourg S.A. Rue Pafebruch 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 SAS Tour Franklin - La Defense, 8 100-101 Quartier Boieldieu, 92042 Paris La Defense Cedex, Paris 92053, France	- do -	- do -	100	2(87)
31.	Diligenta 2 Limited Lynch Wood, Peterborough, Cambridgeshire, PE2 6FY, United Kingdom	- do -	- do -	100	2(87)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
32.	Tata Consultancy Services Osterreich GmbH Schottengasse 1, 1010 Wien, Austria	- do -	- do -	100	2(87)
33.	Tata Consultancy Services Danmark ApS C/o CityCallCenter ApS, Hammerensgade 1, 2, 1267 Kobenhavn K, Denmark	- do -	- do -	100	2(87)
34.	Alti S.A. 88 de Villiers, 92300 Levallois Perret, Paris, France	- do -	- do -	100	2(87)
35.	Planaxis Technologies Inc. 505, Boulevard de la Maisonnette, Ouest H3A 3C2 Montréal (Quebec), Canada	- do -	- do -	100	2(87)
36.	ALTI HR S.A.S. 88, rue de Villiers, 92300 Levallois Perret, Paris, France	- do -	- do -	100	2(87)
37.	ALTI INFRASTRUCTURES SYSTEMES & RESEAUX S.A.S. 88, rue de Villiers, 92300 Levallois Perret, Paris, France	- do -	- do -	100	2(87)
38.	ALTI NV Lenneke Marelaan 6 – 1932 Zaventem, (Belgium)	- do -	- do -	100	2(87)
39.	Tescom (France) Software Systems Testing S.A.R.L. 88, rue de Villiers, 92300 Levallois Perret, Paris, France	- do -	- do -	100	2(87)
40.	ALTI Switzerland S.A. Avenue Louis-Casai – Genève, (Suisse)	- do -	- do -	100	2(87)
41.	TEAMLINK Struikheidestraat 2, 8020 Hertsberge - Belgique (Belgium)	- do -	- do -	100	2(87)
42.	TCS FNS Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	- do -	- do -	100	2(87)
43.	TCS Financial Solutions Australia Holdings Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	- do -	- do -	100	2(87)
44.	TCS Financial Solutions Australia Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	- do -	- do -	100	2(87)
45.	PT Financial Network Services Menara Prima # 16 – F. Jl. DR. Ide Anak Agung Gde Agung Blok 6.2, Kawasan Mega Kuningan, Jakarta Selatan, 12950 - Indonesia	- do -	- do -	100	2(87)
46.	TCS Financial Solutions Beijing Co., Ltd. (04) Floor 3, 10 Futong East Street, Chaoyang District, Beijing, Postcode : 100102, Peoples Republic of China	- do -	- do -	100	2(87)
47.	TCS Iberoamerica SA Colonia 1329; piso 3, Montevideo, Uruguay.	- do -	- do -	100	2(87)
48.	TCS Solution Center S.A. Ruta 8 km 17500, Zonamerica, Ed 60, Ecuador	- do -	- do -	100	2(87)
49.	Tata Consultancy Services Argentina S.A. Uspallata 3046; Ciudad Autónoma de Buenos Aires, Argentina (CP: C1437JCI)	- 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
50.	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)
51.	TCS Inversiones Chile Limitada Curico 18, Santiago, Chile	- do -	- do -	99.99	2(87)
52.	Tata Consultancy Services Do Brasil Ltda Av. Aruanã, 70. Tamboré - Barueri; São Paulo, Brazil (Postal Code: 06460-010)	- do -	- do -	100	2(87)
53.	Tata Consultancy Services Chile S.A. Curicó 18, piso 3, Oficina 502, Santiago, Chile	- do -	- do -	100	2(87)
54.	TATASOLUTION CENTER S.A Francisco Salazar E10-61 and Camilo Destruge Building INLUXOR 7th Floor; Quito, Ecuador	- do -	- do -	100	2(87)
55.	TCS Uruguay S.A. Colonia 1329; Piso 3, Montevideo, Uruguay (Postal Code: 11100)	- do -	- do -	100	2(87)
56.	Technology Outsourcing S.A.C Av. Nicolas Ayllon N° 2491 (3er. Piso) El Agustino, Peru	- do -	- do -	100	2(87)
57.	MGDC S.C. Avenue Tizoc No. 97, Colonia Ciudad del Sol; Zapopan Jalisco, México, (Postal Code: 45050)	- do -	- do -	100	2(87)
58.	Tata America International Corporation 101, Park Avenue, 26th Floor, New York 10178, U.S.A.	- do -	- do -	100	2(87)
59.	CMC Americas Inc. 4354 South Sherwood Forest Building, Suit No 175, Baton Rouge, Louisiana 70816, U.S.A.	- do -	- do -	100	2(87)
60.	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)
61.	MS CJV Investments Corporation C/o CSC Services of Nevada, Inc., (Commercial Registered Agent), 502 East John Street, Carson City, NV 89706, U.S.A.	- do -	- do -	100	2(87)
62.	CMC eBiz Inc Suit No. 400, Stonebridge Plaza II, 9600 North MoPac Expressway, AUSTIN, Texas-78759, 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 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	A. Promoters									
a.	Individuals / Hindu Undivided Family	0	0	0	0	0	0	0	0	0
b.	Central Government / State Governments(s)	0	0	0	0	0	0	0	0	0
c.	Bodies Corporate	1,445,813,486	0	1,445,813,486	73.814	1,445,125,286	0	1,445,125,286	73.341	(0.474)
d.	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
e.	Others - Trust	1,607,624	0	1,607,624	0.082	1,607,624	0	1,607,624	0.082	0.000
	Sub-Total (A) (1)	1,447,421,110	0	1,447,421,110	73.896	1,446,732,910	0	1,446,732,910	73.423	(0.474)
	2. Foreign									
a.	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
b.	Bodies Corporate	0	0	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e.	Others - Trust	0	0	0	0	0	0	0	0	0
	Sub-Total (A) (2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)	1,447,421,110	0	1,447,421,110	73.896	1,446,732,910	0	1,446,732,910	73.423	(0.474)
	B. Public Shareholding									
	1. Institutions									
a.	Mutual Funds / UTI	17,187,315	1,773	17,189,088	0.878	21,568,174	1,773	21,569,947	1.095	0.217
b.	Financial Institutions / Banks	481,037	2,703	483,740	0.025	1,006,863	2,703	1,009,566	0.051	0.027
c.	Central Government / State Governments(s)	495,610	0	495,610	0.025	700,233	0	700,233	0.036	0.010
d.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
e.	Insurance Companies	73,858,592	0	73,858,592	3.771	78,604,759	0	78,604,759	3.989	0.218
f.	Foreign Institutional Investors	292,590,035	0	292,590,035	14.938	200,246,839	0	200,246,839	10.163	(4.775)

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	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i.	Foreign Portfolio Investors (Corporate)	39,280,903	0	39,280,903	2.005	131,330,700	0	131,330,700	6.665	4.660
j.	Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)		423,893,492	4,476	423,897,968	21.641	433,457,568	4,476	433,462,044	21.998	0.357
2.	Non-Institutions									
a.	Bodies Corporate	6,631,652	217,004	6,848,656	0.350	6,752,570	207,186	6,959,756	0.353	0.004
b.	Individuals -									
i.	Individual shareholders holding nominal share capital upto ₹ 1 lakh	63,515,258	1,004,954	64,520,212	3.294	64,948,729	948,677	65,897,406	3.344	0.050
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	14,053,858	0	14,053,858	0.717	14,112,114	0	14,112,114	0.716	(0.001)
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other	0	0	0	0	0	0	0	0	0
i.	Trusts	1,168,608	0	1,168,608	0.060	1,804,991	0	1,804,991	0.092	0.032
ii.	Foreign Companies	28	0	28	0.000	28	0	28	0.000	0.000
iii.	Clearing Members / Clearing House	817,539	0	817,539	0.042	1,458,692	0	1,458,692	0.074	0.032
Sub-total (B) (2)		86,186,943	1,221,958	87,408,901	4.463	89,077,124	1,155,863	90,232,987	4.579	0.117
Total Public Shareholding (B) = (B)(1)+(B)(2)		510,080,435	1,226,434	511,306,869	26.104	522,534,692	1,160,339	523,695,031	26.578	0.474
TOTAL (A)+(B)		1,957,501,545	1,226,434	1,958,727,979	100.000	1,969,267,602	1,160,339	1,970,427,941	100.000	0.000
C.	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)		1,957,501,545	1,226,434	1,958,727,979	100.000	1,969,267,602	1,160,339	1,970,427,941	100.000	0.000

ii. Shareholding of Promoters (including Promotor Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% 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	73.69	1.33	1,443,451,698	73.26	2.31	(0.44)
2.	Jamsetji Tata Trust	1,160,280	0.06	0.00	1,160,280	0.06	0.00	0.00
3.	Tata Industries Limited	1,029,700	0.05	0.00	363,700	0.02	0.00	(0.03)
4.	AF-Taab Investment Company Limited	633,352	0.03	0.00	611,352	0.03	0.00	0.00
5.	Tata Investment Corporation Limited	590,452	0.03	0.00	590,452	0.03	0.00	0.00
6.	Navajbai Ratan Tata Trust	447,344	0.02	0.00	447,344	0.02	0.00	0.00
7.	Tata International Limited	83,232	0.00	0.00	83,232	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.	Tata Power Company Limited	452	0.00	0.00	452	0.00	0.00	0.00
10.	Tata Capital Limited	200	0.00	0.00	0	0.00	0.00	0.00
Total		1,447,421,110	73.90	1.33	1,446,732,910	73.42	2.31	(0.47)

iii. Change in Promoters' (including Promotor Group) Shareholding (please specify, if there is no change)

SL No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2015		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	633,352	0.03					633,352	0.03
				28.03.2016	Sale of shares	(22,000)	0.00	611,352	0.03
2.	Tata Industries Limited	1,029,700	0.05					1,029,700	0.05
				15.05.2015	Sale of shares	(666,000)	0.03	363,700	0.02
3.	Tata Capital Limited	200	0.00					200	0.00
				05.02.2016	Sale of shares	(200)	0.00	0	0.00

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iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top 10 Shareholders*	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Life Insurance Corporation of India	48,141,245	2.46	58,521,537	2.97
2.	Abu Dhabi Investment Authority	16,325,578	0.83	14,165,505	0.72
3.	Government of Singapore	9,095,739	0.46	11,299,187	0.57
4.	Oppenheimer Developing Markets Fund	10,977,181	0.56	8,309,112	0.42
5.	National Westminster Bank Plc As Depository of First State Asia Pacific Leaders Fund a sub Fund of First State Investments ICVC	7,706,168	0.39	8,285,641	0.42
6.	Europacific Growth Fund	0	0.00	7,966,000	0.40
7.	Lazard Asset Management LLC A/C Lazard Emerging Markets Portfolio	7,793,168	0.40	7,682,828	0.39
8.	Copthall Mauritius Investment Limited	7,264,148	0.37	7,361,719	0.37
9.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	8,550,350	0.44	7,211,765	0.37
10.	Aberdeen Global Indian Equity (Mauritius) Limited	8,465,000	0.43	7,122,473	0.36

*The shares of the Company are traded on a 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.

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors						
1.	Mr. Cyrus Pallonji Mistry	1-Apr-2015		4,163,526	0.21	4,163,526	0.21
		31-Mar-2016				4,163,526	0.21
2.	Mr. N. Chandrasekaran	1-Apr-2015		88,528	0.00	88,528	0.00
		31-Mar-2016				88,528	0.00
3.	Mr. Ishaat Hussain	1-Apr-2015		1,740	0.00	1,740	0.00
		31-Mar-2016				1,740	0.00
4.	Ms. Aarthi Subramanian	1-Apr-2015		2,800	0.00	2,800	0.00
		31-Mar-2016				2,800	0.00
	Key Managerial Personnel						
1.	Mr. Rajesh Gopinathan	1-Apr-2015		130	0.00	130	0.00
		15-Jan-2016	Purchase of shares			1,000	0.00
		31-Mar-2016		130	0.00	1,130	0.00

V. INDEBTEDNESS

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

(₹ crores)

	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	86.24	186.61	10.50	283.35
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.02	0.00	0.02
Total (i+ii+iii)	86.24	186.63	10.50	283.37
Change in Indebtedness during the financial year				
• Addition	90.57	0.00	2.00	92.57
• Reduction	0.00	(184.88)	0.00	(184.88)
Net Change	90.57	(184.88)	2.00	(92.31)
Indebtedness at the end of the financial year				
i) Principal Amount	176.81	1.74	12.50	191.05
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.01	0.00	0.01
Total (i+ii+iii)	176.81	1.75	12.50	191.06

Notes:

- These liabilities represent obligations under finance lease including current portion of obligations of ₹ 65.01 crores and bank overdraft of ₹ 111.80 crores as of March 31, 2016.
- These represent the bank overdraft of ₹ 1.16 crores and other borrowings as of March 31, 2016.
- These are deposits received on account of sub-lease of premises and from vendors for contracts to be executed.

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/WT/Manager		Total Amount
		Mr. N. Chandrasekaran CEO & MD	Ms. Aarthi Subramanian, ED	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	228.60	58.14	286.74
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	264.10	0.16	264.26
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	1,900.00	100.00	2,000.00
	- as % of profit	0.066	0.003	0.069
5.	Others, Allowances	173.23	116.86	290.09
	Total (A)	2,565.93	275.16	2,841.09
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)			288,216.50

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B. Remuneration to other directors:

(₹ Lakh)

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	Mr. Aman Mehta	5.40	230.00	-	235.40
	Mr. V. Thyagarajan	6.60	160.00	-	166.60
	Prof. Clayton M. Christensen	2.40	125.00	-	127.40
	Dr. Ron Sommer	4.80	170.00	-	174.80
	Dr. Vijay Kelkar	4.80	135.00	-	139.80
	Mr. O. P. Bhatt	7.80	140.00	-	147.80
	Total (1)	31.80	960.00		991.80
2.	Other Non-Executive Directors				
	Mr. Cyrus Mistry	4.20	-	-	4.20
	Mr. Ishaat Hussain	5.40	175.00	-	180.40
	Mr. Phiroz Vandrevalla	2.40	65.00	-	67.40
	Total (2)	12.00	240.00		252.00
	Total (B)=(1+2)	43.80	1,200.00		1243.80
	Total Managerial Remuneration		1,200.00		
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)		28,821.65		

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

(₹ Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Rajesh Gopinathan, CFO	Mr. Suprakash Mukhopadhyay, Company Secretary	Total
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	50.90	32.75	83.65
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	25.54	25.94
	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	-	-	-
5.	Others, Allowances	246.73	104.48	351.21
	Total	298.02	162.78	460.80

Note: Please refer to the note given under Section III.B.vii.b on page no. 112 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, 2016.

FORM No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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]

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, 2016 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, 2016 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, 1992 and 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; (Not applicable to the Company during the audit period)
- 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.

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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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) 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 ₹ 294 crores against the amount of ₹ 360 crores to be spent during the year towards Corporate Social Responsibility.

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, 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.

Decisions at the Board Meetings were taken unanimously.

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

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, standards, guidelines etc.

CMC Limited (CMC) was amalgamated with the Company pursuant to the orders of the Hon'ble High Court of Judicature at Bombay and Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh sanctioning amalgamation of CMC with the Company.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner

FCS No: 327 CP No: 1228

Mumbai, April 18, 2016

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.

To,

'Annexure A'

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. Whereever 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

FCS No: 327 CP No: 1228

Mumbai, April 18, 2016

Management Discussion and Analysis



Management Discussion and Analysis

1. A Macro view

In 2015, global economic activity remained subdued, with world output slowing down further to 3.1%¹. Emerging markets and developing economies grew 4%, a year-on-year deceleration for the fifth consecutive year. Steep falls in oil prices, continued weakness in commodity prices, a slowdown in China and deep recessions in some large emerging market economies more than offset strong growth in India and some of the ASEAN economies.

Developed economies which are key markets for information technology (IT) services grew a modest 1.9% in aggregate – US (2.4%), UK (2.2%), Euro Area (1.6%) and Japan (0.5%), hampered by weak demand, unfavorable demographics and low productivity growth.

This was the weak macroeconomic backdrop against which large global corporations sought to become efficient even as they used technology to fend off business model challenges, establish competitive differentiation, show revenue & earnings growth and stay compliant in a shifting regulatory landscape.

2. Overview of the industry

The global market for outsourced IT – business process management (BPM) services grew a mere 0.4% over the prior year to \$1.2 trillion. Within this, IT services registered a small decline of 0.2% year-on-year while package implementation grew 0.2% over the prior year and BPM grew 3% over the prior year.

Sharp cross-currency movements during the year diminished the non-dollar denominated components of the global market when reported in USD.

In terms of the drivers of growth, the relentless quest for efficiency continued in fiscal 2016, with management teams taking a more strategic approach to structural cost take out. Digital technology adoption progressed apace, with early projects delivering better than anticipated outcomes and resulting in larger and more ambitious digital re-imagination programmes taking wing. Some industries saw additional spending triggered by regulatory compliance activities.

3. Our business

TCS is an information technology services, consulting and business solutions company, servicing large global corporations across a range of industry verticals including banking, financial services & insurance, retail & consumer packaged goods (CPG), telecom, media & entertainment, manufacturing, hi-tech, life sciences & healthcare, energy,

resources & utilities, travel, transportation & hospitality and government sectors.

The Company's expertise in traditional and new age technologies extends across its full services portfolio of consulting and enterprise solutions, application development & maintenance, assurance services, engineering & industrial services, IT infrastructure services, business process services and asset leveraged solutions.

These services are delivered through its unique global network delivery model (GNDM™), recognised as the benchmark of excellence in software development. With over 353,000 employees and a global delivery footprint that covers over 145 solution centers, TCS is amongst the world's top 10 IT service-providers.

TCS' focus on execution excellence, its scale, domain expertise and its array of intellectual property have been recognised by customers, giving the Company tremendous traction in the various markets it operates in. The Company's compounded annual growth rate (CAGR) since fiscal 2007 is 21.6%, with industry-leading operating margins.

4. Strategy

The Company's strategy for longer term growth has been to (a) continually expand its addressable market by investing in newer geographies, newer industry verticals and newer service lines and (b) strengthen and deepen existing client relationships through a customer-centric approach, superior execution that gives clients an experience of certainty, a full services capability and a scalable global network delivery model (GNDM™).

The first element of strategy has resulted in a de-risked business portfolio that is broadly diversified across all three dimensions: geography, industry verticals and service lines, lending the business substantial resiliency from local or sectoral business cycle volatility. Details have been provided in discussion on revenue.

The second element of strategy has resulted in very large, deep and enduring relationships with some of the world's largest corporations. Success in this area is measured by looking at the number of customers in each revenue bucket and how they progress up the revenue buckets with time. In fiscal 2016, the Company added 8 more clients in the \$100 million+ revenue band, bringing the total to 37 and in the \$10 million+ revenue band, the Company added 37 clients this year, bringing the total to 298.

¹ <http://www.imf.org/external/pubs/ft/survey/so/2016/NEW041216A.htm>

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
US\$ 100m+ clients	8	14	17	24	29	37
US\$ 50m+ clients	27	43	52	53	68	73
US\$ 20m+ clients	81	99	121	136	162	173
US\$ 10m+ clients	143	170	211	231	261	298
US\$ 5m+ clients	208	245	290	354	389	429
US\$ 1m+ clients	458	522	638	714	791	829

5. Digital technologies

TCS has been one of the earliest technology players to explicitly call out the deep impact that the digital forces would have on enterprises, consumers, governments and on societies. As enterprises dematerialised their assets and got hyper-connected, operations became more software-driven and generated masses of real time data which could be mined for actionable insights.

Our Digital Reimagination™ framework provided a holistic roadmap for our customers to bring to bear the power of these new technologies while reinventing their business models, products and services, channels, customer segments, business processes and workplaces.

In fiscal 2016, digital adoption continued apace and the Company's participation in customers' digital spending grew substantially. With the scale and scope of digital programmes increasing beyond the pure front-end space and pervading the rest of the underlying application stack, our scale and digital capability position us very strongly to become the preferred digital partner for more and more clients.

Over half of our customers, spanning across every single industry vertical, have engaged TCS to partner them in their digital journey. Revenues from digital engagements constituted 13.8% of the Company's revenues in fiscal 2016, while in absolute terms, the digital revenues grew by 52.2% in constant currency over fiscal 2015.

This substantial traction has been made possible by sustained, proactive investments made by TCS over the last several years across multiple areas so that when customers were ready to ramp up their investments in this exciting new space, the Company was more than ready to fulfill their requirements. Some of the investments are detailed in the following sections.

5.1 Talent development in digital space

The Company's early lead in digital came on account of proactively scaling up the digital talent pool within the organisation. In addition to expanding the Company's hiring programme to cover a broader spectrum of diverse skills, TCS is also investing heavily in a scalable programme to re-skill the workforce and endow employees with skills – soft skills, design skills, multi-technology skills and domain skills - that are critical to stay relevant in the digital era.

At the center of this new approach is TCS' digital learning platform - an integrated ecosystem that combines virtual, physical and experiential learning infrastructure with high quality content and available any place, any time and on any device.

The platform offers courses on a multitude of different digital tools, platforms and skill-sets, and allows individuals to pick what they want to learn, learn it the way they want to, and to the extent or depth that they require for a particular role.

From a 'push' model of training, the Company has moved to an employee-centric 'pull' model, which is more in line with the demands of the digital era and also the millennial mindset. Employee feedback has been very positive and the outcomes have far exceeded expectations. In fiscal 2016, the Company has been able to impart over 349,000 competencies to over 120,000 employees.

5.2 Next-generation delivery model

One of TCS' operational innovations of the last decade, which served as a very powerful differentiator was the GNDM™, characterised by a global, interconnected workforce, integrated processes and a robust, multi-tiered collaboration and communication infrastructure. The GNDM™ fostered collaboration among globally distributed teams and the leveraging of common assets to seamlessly deliver consistently high service levels to customers, regardless of which part of the globe they chose to engage with TCS.

Today, the Company's global delivery footprint covers over 145 solution centers across 19 countries, and it is now almost routine for our large customers to be serviced by globally distributed teams located out of a dozen or more delivery locations.

In the digital era, where customers are looking to TCS to help leverage new technologies to transform their businesses and gain competitive advantage, speed is of the essence, and agility is key. Consequently, new projects use 'Agile' or 'DevOps' by default.

The Company has invested in building collaborative workspaces at its delivery centers to facilitate a very different style of working that Agile / DevOps entails and fine-tuned its delivery processes and controls. There is now a large and growing body of case studies of large, globally distributed programmes successfully using our GNDM™ to leverage Agile / DevOps.

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5.3 Innovation

The Company's success in emerging as the preferred transformational partner to some of the largest corporations has been on account of the highly innovative industry-specific solutions that we have proactively developed and showcased to our clients and prospects at our various innovation centers across the world, as well as at 'innovation days' organised with key customers and 'innovation forum' organised in key markets such as USA, UK and Australia.

These solutions were built through a close collaboration between domain experts within each of the industry solution units, technology experts and researchers from our R&D group. In addition to industry-focused efforts, there are several cross-unit innovation programmes working on building solutions to address real-time compliance for the enterprise, real-time agile enterprise, global data marketplaces and applications of blockchain technologies.

Software research focused on formal methods in verification & validation, design thinking, service design tools and creation of enterprise models for agile business operations. Several projects within the applications research area found successful pilot implementations among TCS customers including email analytics for problem resolution, service desk automation and image / video based auto part inspection.

Other areas of focus for the R&D team during the year were integrated computational materials engineering, high performance computing, application programme interface (API) centric development, flexible supply chains and robotics. TCS' researchers also worked on cyber-physical systems focused on health sensing, drone based services, augmented & virtual reality, data privacy and security.

To foster the innovation culture across the organisation, TCS ran ideathons, hackathons as well as innovation award competitions. Our Innovista award competition attracted 551 entries from across the organisation of which 37 teams qualified for the finals, with winning innovations in the categories of 'promising innovations', 'leading edge innovations' and 'dare to try innovations'.

In fiscal 2016, TCS researchers presented about 500 papers at premier conferences and journals. 2,842 patents were filed and 341 patents were granted during the year.

The Company continually looks for innovation outside the organisation as well, scouring the start-up universe for promising candidates whose products could be positioned as a integral part of a larger solution that address customers' business problems. Your Company has built a global start-up partnership ecosystem called COIN™ (Co-Innovation Network) which actively engages with technology start-ups, academia and venture capitalists to identify innovative ideas on an ongoing basis from over 1,400 companies on our radar. TCS' COIN connected customers to innovation incubators such as 'Slush' in

Europe, 'Start-up Bootcamps' in Asia, and 'Communitech' in Canada. Its innovation events in Sydney, London and Silicon Valley also provided a platform for start-ups to interact with the TCS ecosystem.

The Company also got into research collaboration with reputed university research bodies as well as emerging tech companies in areas such as genomics, integrated computation materials engineering, supply chain, model driven enterprises, on ideas that might disrupt the market. TCS has forged strategic alliances with academic institutions such as MIT Media Labs and the Carnegie Mellon University.

5.4 Innovation workspaces

To better facilitate joint ideation and co-innovation with our customers, TCS has invested in building unique co-innovation workspaces designed to encourage creativity, participation and collaboration. Two such facilities were inaugurated in fiscal 2016:

- (a) The digital re-imagination studio in Santa Clara, equipped with workspaces and workshops and staffed with topnotch talent from across the world. The creative-led, multi-disciplinary teams at the studio work closely with our customers' teams, applying the principles of design thinking to ideate, develop and even prototype creative digital solutions to our customers' business problems.
- (b) The executive briefing center at our Banyan Park campus in Mumbai which provides visiting customers and prospects with an immersive experience of many of the transformational digital solutions we have already built across different industry verticals and also collaborate with our teams on developing innovative solutions to their specific business problems.

5.5 Intellectual property

TCS has had a history of investing in intellectual property, exemplified by the industry leading TCS BaNCS – a holistic suite of solutions for banks, capital market firms, insurance companies and diversified financial institutions.

The Company has carried forward that tradition into the digital era and established a reputation for thought leadership and innovation among customers by investing in building out one of the largest portfolios of digital platforms and products, spanning the technology space, horizontal functions and industry-specific functions. Every one of these products and platforms has multiple customers and is gaining market traction.

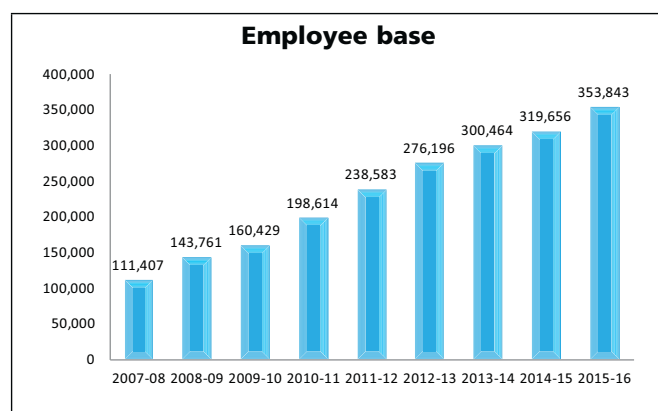
In June 2015, we launched ignio™, a neural automation system for IT operations in enterprises, creating a brand new category that we call 'services-as-a-software'. With its cognitive capabilities, ignio™ is technologically far ahead of other automation products in the market and within 9 months of launch, the product had been bought by 16 customers. The Company has filed 24 patents around ignio™ till date, and have some more in the pipeline.



6. Human resources

6.1 Human resource strategy

The human resource (HR) function of the Company is focused around providing its 353,843 employees from 129 nationalities spread across 55 countries a meaningful and compelling environment. An environment which gives today's diverse, multi-generational and mobile workforce the confidence to realise their potential and provide world class solutions to the customers. This positive and inspiring environment fosters innovation, stimulates performance culture and motivates employees to develop themselves personally and professionally.



6.2 Talent acquisition

TCS' talent acquisition strategy is to hire right competencies required by the business at the right time. In fiscal 2016, the Company has hired 90,182 people, 74,009 in India and 16,173 outside India, into its workforce. This is the highest gross addition.

This achievement is the result of multi-pronged approach of right analytics, establishing TCS brand in the campuses, maintaining connect with prospective employees and a scalable green recruitment process. The success of integrating the new-entrants can be largely attributed to the innovative iBegin and iBelong platforms.

TCS continues to remain preferred employer at the engineering campuses in India. The Company also continued its effort to recruit from colleges outside India especially in Latin America, USA, Canada, China and Hungary. The Company has been using social networking sites, gaming platforms, technology contests, etc. to attract talent as the current generation is more digital savvy.

Academic institutes are a key stake holder in the overall talent acquisition strategy of the Company. In fiscal 2016, faculty and students of over 900 institutes in India and abroad benefitted through wide range of academic interface programme (AIP) activities including technology awareness, contests and development of industry oriented curricula.

The 17th edition of Sangam, the annual meeting with the heads of the institutes, was organized at Kochi and was very well attended by participants from India and abroad. In addition, TCS is working with Government of India and state governments in establishing five IIITs, under PPP model. Through TCS research scholarship programme, the Company has been supporting 228 research scholars from 33 institutes across India.

Our unique student engagement portal "Campus Commune" continues its evolution and has more than 891,429 engineering students across 1,135 institutes as registered users. CodeVita, a global programming

competition was organised through Campus Commune and this was the 4th year for this competition. 197,639 students from 3,708 institutes across the globe registered for the competition and winners were from India and Czech Republic.

6.3 Talent development, engagement and retention

Developing employee competency and improving overall organisational capabilities is the key talent development focus of TCS. We continued investing in developing necessary platform and content to provide anytime anywhere learning opportunity to our employees worldwide. Learning programmes are also aided by constant coaching and mentoring to help learners with their career development.

Talent development in the Company has three distinct tracks –

- Initial Learning Programme (ILP) for the trainees,
- Continuous Learning Programme (CLP) to hone technical, domain and process skills of the employees on continuous basis, and,
- Leadership Development Programme (LDP).

A combination of learning platform (iON), digital interactive class rooms (iQlass), virtual labs and competency tracking platform (iEvolve) facilitates learning opportunities for employees worldwide. Scale, speed, spread and quality is ensured through these state of the art infrastructure and programme content.

Aspire, our digital ILP breaks the geographic boundaries and facilitates the new joiners to be productive much faster.

The need to strengthen and improve leadership pipeline is an important priority to keep up with the fast paced growth of the Company. Structured and systematic approaches to identify, assess, and develop leaders, starts at early stages of the career. LDP has custom made programmes for each level and career paths. Programmes are continuously reviewed and redesigned taking into consideration the dynamic nature of business and the global diverse workforce. Special programmes are launched to develop women employees for leadership roles, and they are yielding desired results.

To give a quick start, a number of short videos (Nano programmes) have been developed to help our employees to gain knowledge on latest technological developments in the Digital space. As a special initiative, we embarked on a programme to train 100,000 employees on Digital technologies so as to be ready to meet the business demand.

Today's new age workforce expects an employee-centric work environment where they can learn to grow and develop. 'CareerHub' is a platform enabling capture and fulfillment of career aspirations of employees and providing them a mentoring platform. Employees can

choose their own mentor based on a match with their aspirational skill sets. 'Inspire', a specialised programme is used to groom and provide fast track career progression to high potentials. Structured coaching programme is used at senior leadership level to make them realise their full potential. Leadership review and assessment profile of all leaders ensures the maintenance of a healthy succession pipeline.

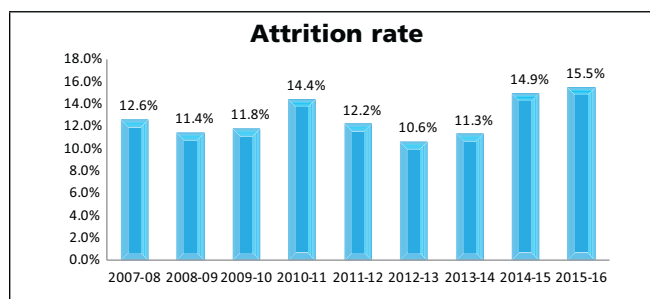
The Company's in-house recognition portal 'GEMS' continues to recognise both team and individual performance, as well as reward employee behavior in line with the organisational values.

TCS embarks on a sustainability journey by ensuring safety and healthy well-being of associates and protecting the environment. Initiatives like 'Safety First' emphasise on employee safety and security. TCSFit4life initiative creates a culture of fitness in the organisation by helping to build a fraternity of health and fitness conscious employees.

'Purpose4life' initiative enhances employee contribution to community projects in the areas of Education, Health and Environment. Robust employee engagement platforms including Maitree help in improving employee bonding within the organisation and promoting work-life balance, thereby, increasing employee retention.

PULSE – TCS' annual employee engagement and satisfaction Survey, has showed an increase in employee satisfaction and employee engagement index this year. This is a measure that the employees have a sense of ownership for their Company and their support to "One TCS" belief. This feeling of camaraderie was seen during the recent Chennai floods where employees across the Company joined hands in the relief works. Apart from providing physical support, employees contributed over ₹ 4 crores towards relief operations.

In fiscal 2016, the Company's attrition rate including BPS was 15.5%.



6.4 Talent diversity

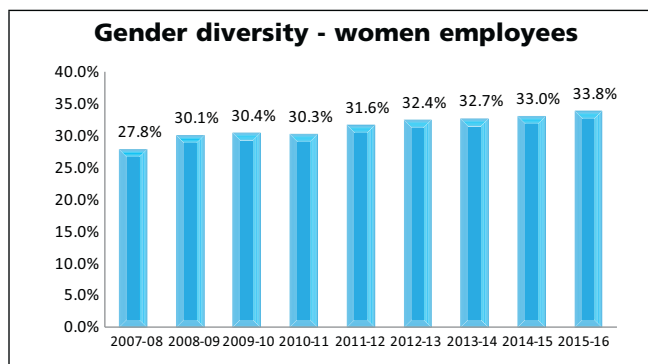
Talent diversity and creating & sustaining an inclusive environment is important to the Company. The talent diversity framework provides structured initiatives focused at enhancing workplace diversity and inclusion at TCS.

The CoE (Center of Excellence) on accessibility, works on

IT solutions for differently-abled individuals, aiding their integration into the workforce. An e-learning module, managing diverse teams (MDT), has been created specifically for managers to enable them to work in a diversity rich work environment.

The organisation's progressive policies such as extended leave, special focus on security of women employees, customised programmes for re-orientation after long leave, focused mentoring, special leadership development programmes address the needs and aspirations of over 115,000 women employees employed with TCS.

TCS continues to lead and share its diversity and inclusion practices through collaboration with various external forums such as partnering with the US government in launching million women mentors (MWM) programme. We pledged our commitment to UN Women's 'He-for-She' global campaign to engage men as champions of diversity. The all-women center for business processes and IT services set up in Riyadh, is a great example of providing long-term career opportunities to women.



6.5 Compliance

A robust internal check process is deployed to prevent and limit risk of non-compliance. The compliance cell within HR continues to track Acts / Laws in all countries of operation in the field of immigration, employment and labour laws. The Company approaches compliance from the stand point of reactive as well as proactive intervention.

7. Risk management and compliance

A robust enterprise compliance management (ECM) framework and process has been deployed across the Company. 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 & immigration, taxation, forex and export controls, health, safety & environment (HSE), company laws, establishment, SEZ regulations, data privacy, anti-bribery & anti-corruption regulations and IT Security. A committee at 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 economic scenario	Technology investments by corporates have shown strong correlations with GDP growth. The Company derives a material portion of its revenues from customers' discretionary spending which is linked to their business outlook. Depressed economic outlook in key markets can impact this spending and thereby constrain the Company's growth potential.	<ul style="list-style-type: none"> Broad-based, de-risked business mix, well diversified across geographies and industry verticals Capabilities and value propositions addressing the discretionary as well as non-discretionary portions of client spend Target market segments which might provide counter-cyclical support.
Business model changes	The new disruptive digital technologies are ushering in transformational business model changes in client organisations. In this fast evolving "Digital World of Experience", there is increased competition, with a greater number of small niche players, in addition to pure play consulting companies.	<ul style="list-style-type: none"> Adoption of digital is fast accelerating and the Company is well placed to address this market opportunity. The Company continues to make necessary investments in talent development, alliance partnerships and assets creation Significant breadth and depth of capabilities created across big data analytics & insights, digital marketing & channels, cloud & internet of things (IoT) and security cutting across a number of rapidly evolving digital technologies.

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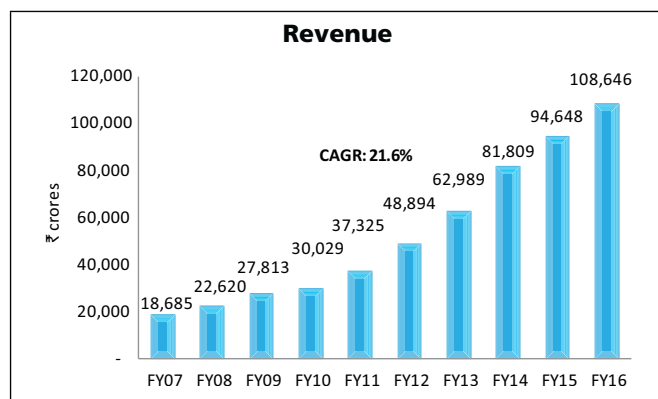
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Key Risks	Impact on the Company	Mitigation
Currency volatility	Volatility in currency exchange movements resulting in transaction and translation exposure. In FY16, the rupee has depreciated against most major currencies. The currency movements were driven by lower growth prospects, lower employment, near zero sticky inflation among the developed nations and falling commodity prices.	<ul style="list-style-type: none"> • Currency hedging policies and business marketing practices in place • Hedging strategy monitored by risk management committee on regular basis.
Global mobility	In view of different socio-economic and geo-political developments, increased challenges are being faced in terms of global mobility of skilled professionals. U.S has increased visa fees for H1B and L1 categories, in addition to other restrictive legislations being considered. U.K has accepted proposals for amendment to visa rules for Tier 2 category. Similar protectionist steps are being considered by some other countries.	<p>At a strategic level, the Company is taking several proactive steps to mitigate mobility risks in key geographies. These include:</p> <ul style="list-style-type: none"> • Increased outreach to legislative and regulatory stakeholders. Membership in important trade bodies and active engagement with institutions • Local investments and employment creation • Active engagement in science, technology, engineering and mathematics education (STEM), student technology awareness programme (goIT) and other community initiatives globally.
Data privacy and protection	Stringent data protection & privacy laws are being enacted by many countries. They mandate protection of personally identifiable information (PII) and sensitive personal data and information (SPDI) and have strict restrictions for any cross border transmission of such personal data. Also such data has to be protected from access by any unauthorised individuals. Any violation or cyber security breach can result in liabilities and penalties.	<ul style="list-style-type: none"> • A global privacy policy is in place and the Company has continued focus on employee related agreements with respect to PII and SPDI • Data protection controls are part of the engagement security management process • Strong security measures are in place to handle cyber security attacks • Sensitive engagements leverage industry standard data masking technologies to protect PII and SPDI.
Cyber security	In a hyper connected digital world and with the increasing penetration of the IoT, enterprises are facing an increased exposure to vulnerabilities and threats. Businesses across the spectrum have been affected by cyber-attacks, with impacts ranging from reputational, to legal and financial losses. Enterprise defenses against cyber-attacks have also been impeded by the fast evolving nature of the threat, with new ways of perpetration emerging constantly.	<ul style="list-style-type: none"> • Investments in automated prevention and detection solutions as well as continued reinforcement of stringent security policies and procedures • Segregated network model, rigorous access controls, encryption of network traffic, sophisticated traffic monitoring and management tools and special fences against possible sources of threat.
Global regulatory compliance	Increasing complexity of global regulatory compliance landscape has become one of the key concerns. This includes industry specific regulations such as Gramm-Leach-Bliley Act (GLBA), Health Insurance Portability and Accountability Act (HIPPA) etc., that need compliance as part of customer engagements.	Comprehensive global enterprise wide compliance management framework has been deployed across the Company. Global regulatory compliance certification is fully digitised and covers compliance across global locations. Changes in the applicable regulations are monitored and tracked on a global basis.

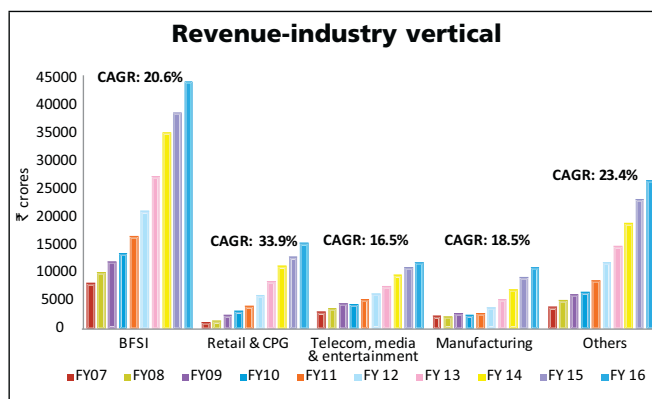
PERFORMANCE HIGHLIGHTS

TCS has been a consistent value creator for all its stakeholders with industry leading performance in metrics such as revenue, profitability, market capitalisation, resource pool etc. Among global IT services companies, TCS is ranked second in market capitalisation and net income, third in headcount and fifth in revenues. (Source: Company reports, Gartner, Reuters). Also, TCS has maintained its track record of sharing the wealth created with its stakeholders.

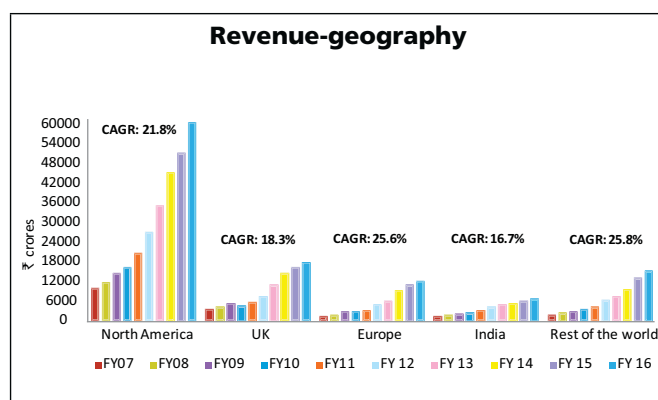
Revenue trend



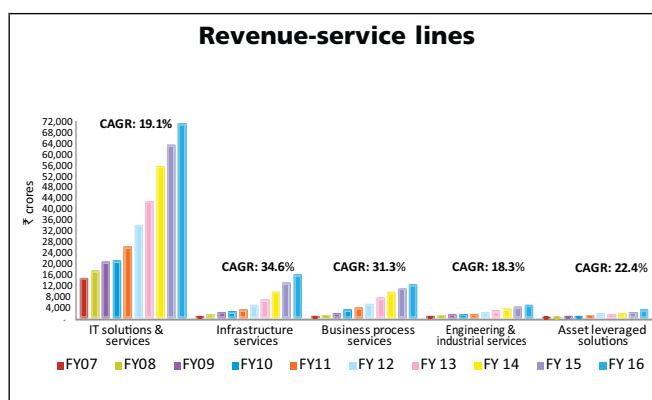
Growth in industry verticals



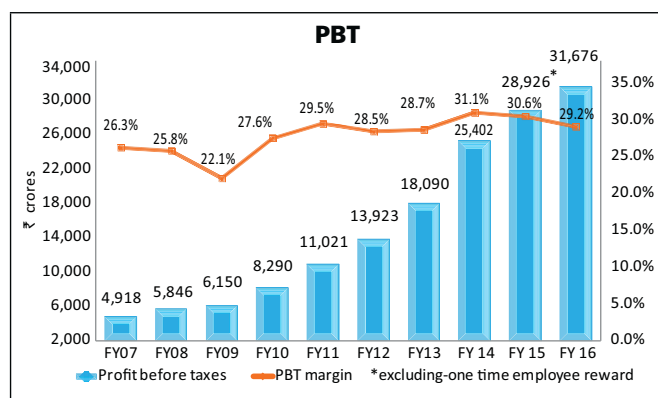
Growth in geographic revenue



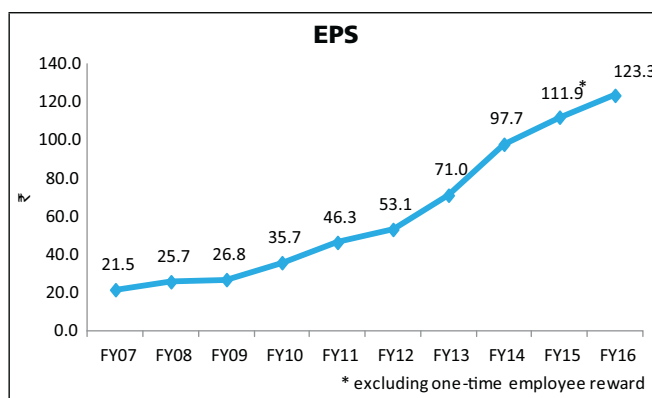
Growth in service lines



Earnings trends



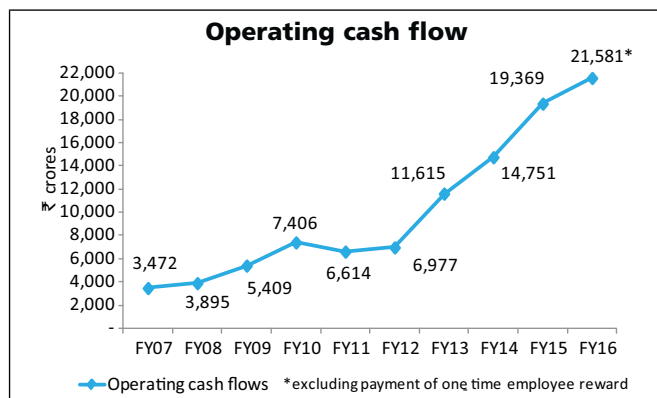
Earnings per share



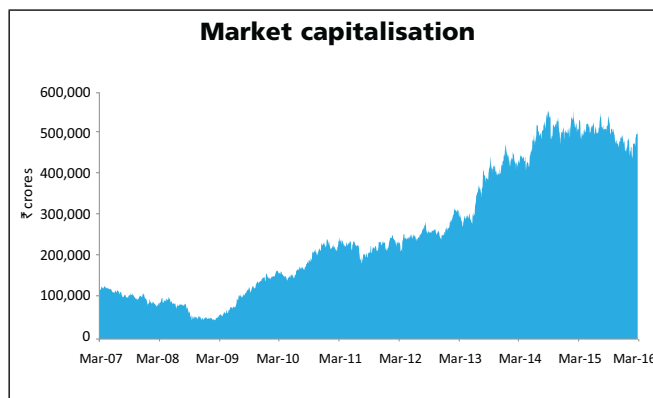
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Cash flow from operating activities

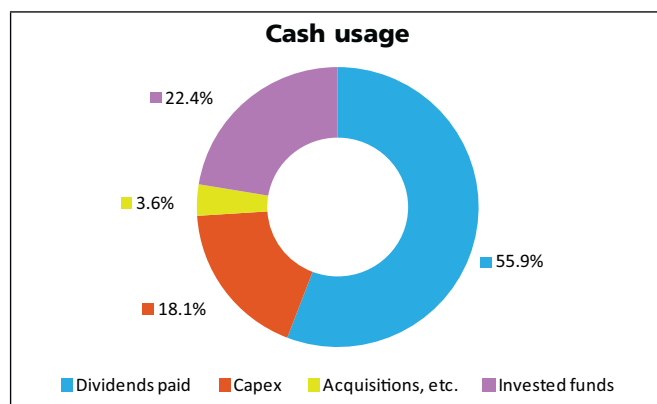


Market capitalisation



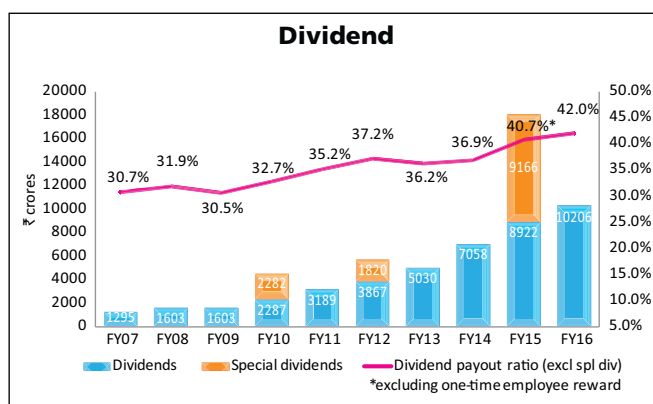
Cash utilisation since fiscal 2007

Of the available funds generated during fiscal 2007 to 2016, 55.87% has been appropriated towards dividend (including dividend tax and final dividend for fiscal 2016 to be paid post approval by shareholders).



Dividend

Dividend (including final dividend and dividend distribution tax) and the payout ratio computed on consolidated profits have remained consistently high. The amount of dividend appropriated (excluding special dividend) has increased 16 times in the last ten years. In fiscal 2016, the payout ratio was 42%.



FINANCIAL PERFORMANCE - (CONSOLIDATED)

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 generally accepted accounting principles in India (Indian GAAP).

The discussions herein below relate to consolidated statement of profit and loss for the year ended March 31, 2016, consolidated balance sheet as at March 31, 2016 and the consolidated cash flow statement for the year ended March 31, 2016. The consolidated results are more relevant for understanding the performance of TCS.

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, TCS will follow the Indian Accounting Standards (Ind AS) for preparation of its financial statements from April 1, 2016.

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

CONSOLIDATED FINANCIAL RESULTS - SUMMARY

The revenue of the Company crossed one trillion rupees and aggregated ₹ 108,646.21 crores in fiscal 2016 (₹ 94,648.41 crores in fiscal 2015), registering a growth of 14.79%.

For a like to like comparison, the financial performance and other operating parameters relevant to fiscal 2016 have been analysed with reference to the performance in fiscal 2015, without considering the impact of one-time employee reward (referred to as 'ex rewards') in fiscal 2015.

Other significant financial parameters of the Company are given below:

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

The EBITDA aggregated ₹ 30,589.79 crores in fiscal 2016 (₹ 27,109.62 crores in fiscal 2015, ex rewards) – a growth of 12.84%.

- **Profit before tax (PBT)**

PBT aggregated ₹ 31,675.87 crores in fiscal 2016 (₹ 28,926.40 crores in fiscal 2015, ex rewards) – a growth of 9.51%.

- **Profit after tax (PAT)**

PAT aggregated ₹ 24,291.82 crores in fiscal 2016 (₹ 21,911.85 crores in fiscal 2015, ex rewards) – a growth of 10.86%.

- **Earnings per share (EPS)**

EPS aggregated ₹ 123.28 in fiscal 2016 (₹ 111.87 in fiscal 2015, ex rewards) – a growth of 10.20%.

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DISCUSSIONS ON CONSOLIDATED FINANCIAL RESULTS

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

	Fiscal 2016		% growth		Fiscal 2015 - ex rewards		Fiscal 2015 - as reported	
	₹ crores	% of revenue	Compared to fiscal 2015- ex rewards	Compared to fiscal 2015- as reported	₹ crores	% of revenue	₹ crores	% of revenue
Revenue from operations	108,646.21	100.00	14.79	14.79	94,648.41	100.00	94,648.41	100.00
Expenses								
Employee benefit expenses	41,769.08	38.44	15.79	7.93	36,073.24	38.12	38,701.15	40.89
Overseas business expenses (employee allowances paid overseas)	13,678.65	12.59	11.91	11.91	12,223.20	12.91	12,223.20	12.91
Services rendered by business associates and others	7,947.99	7.32	27.78	27.78	6,220.25	6.57	6,220.25	6.57
Employee and BA related expenses	63,395.72	58.35	16.29	10.94	54,516.69	57.60	57,144.60	60.37
Overseas business expenses (other than employee allowances paid overseas)	1,161.34	1.06	1.81	1.81	1,140.71	1.21	1,140.71	1.21
Operation and other expenses	13,499.36	12.43	13.62	13.62	11,881.39	12.55	11,881.39	12.55
Total expenses	78,056.42	71.84	15.57	11.24	67,538.79	71.36	70,166.70	74.13
Earnings before interest, tax, depreciation and amortisation (EBITDA)	30,589.79	28.16	12.84	24.95	27,109.62	28.64	24,481.71	25.87
Other income (net)	3,053.87	2.81	(5.45)	(5.45)	3,229.91	3.41	3,229.91	3.41
Finance costs	19.83	0.02	(80.97)	(80.97)	104.19	0.11	104.19	0.11
Depreciation and amortisation expense	1,947.96	1.79	8.30	8.30	1,798.69	1.90	1,798.69	1.90
Profit before exceptional item and tax	31,675.87	29.16	11.39	22.73	28,436.65	30.04	25,808.74	27.27
Exceptional item	-	-	-	-	489.75	0.52	489.75	0.52
Profit before tax (PBT)	31,675.87	29.16	9.51	20.45	28,926.40	30.56	26,298.49	27.79
Tax expense	7,300.93	6.72	7.37	17.02	6,800.03	7.18	6,238.79	6.60
Profit for the year before minority interest	24,374.94	22.44	10.16	21.51	22,126.37	23.38	20,059.70	21.19
Minority interest	83.12	0.08	(61.25)	(59.95)	214.52	0.23	207.52	0.22
Profit for the year (PAT)	24,291.82	22.36	10.86	22.36	21,911.85	23.15	19,852.18	20.97

Revenue

Analysis of revenue growth

Growth attributable to	Fiscal 2016 (%)	Fiscal 2015 (%)
Business growth	11.86	17.01
Impact of exchange rate	2.93	(1.32)
Total growth	14.79	15.69

The total revenue growth in fiscal 2016 (14.79%) was lower than that of fiscal 2015 (15.69%), primarily due to a lower business growth in fiscal 2016 (11.86%) as compared to that of fiscal 2015 (17.01%). Out of the total revenue earned in fiscal 2016, 94.17% was earned in foreign currencies. Fiscal 2016 witnessed substantial movement in exchange rates particularly affecting AUD, CAD, USD and EUR. The currency wise fluctuations during fiscal 2016 compared to those in fiscal 2015 are given below:

(Amount in ₹)

	Fiscal 2016			Fiscal 2015	% change in average rates
	High	Low	Average	Average	
USD	68.79	62.10	65.45	61.26	6.85
GBP	105.28	90.89	98.62	98.34	0.28
EUR	77.49	65.75	72.29	76.86	(5.94)
CAD	53.62	46.38	49.96	53.68	(6.94)
AUD	52.01	45.86	48.17	53.15	(9.36)

Net impact of such movement in exchange rates on revenue of the Company has been a positive variance of

2.93% vis-a-vis Rupee in fiscal 2016 (negative variance of 1.32% in fiscal 2015).

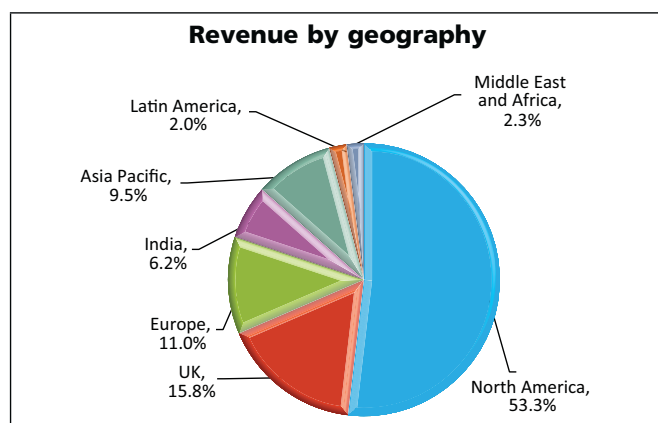
Revenue by industry

Major industries contributing to revenue of the Company are (1) banking, financial services and insurance (BFSI), (2) manufacturing, (3) retail and consumer packaged goods (CPG), (4) telecom, media and entertainment and (5) others. 'Others' include (a) hi-tech, (b) life sciences and healthcare, (c) travel, transportation and hospitality and (d) energy, resources and utilities.

During fiscal 2016, revenue from all industries other than telecom, media and entertainment showed double digit growth rates. Industry wise performances are discussed in segment performance section.

Revenue by geography

	Fiscal 2016			Fiscal 2015	
	₹ crores	% of revenue	% growth	₹ crores	% of revenue
North America	57,891.63	53.28	17.94	49,085.94	51.86
UK	17,171.43	15.80	8.79	15,783.29	16.68
Europe	11,920.64	10.97	8.90	10,946.34	11.57
Asia Pacific	10,325.42	9.50	16.87	8,834.63	9.33
India	6,728.81	6.19	10.17	6,107.55	6.45
Middle East & Africa	2,489.03	2.31	29.43	1,923.14	2.03
Latin America	2,119.25	1.95	7.71	1,967.52	2.08
Total	108,646.21	100.00	14.79	94,648.41	100.00



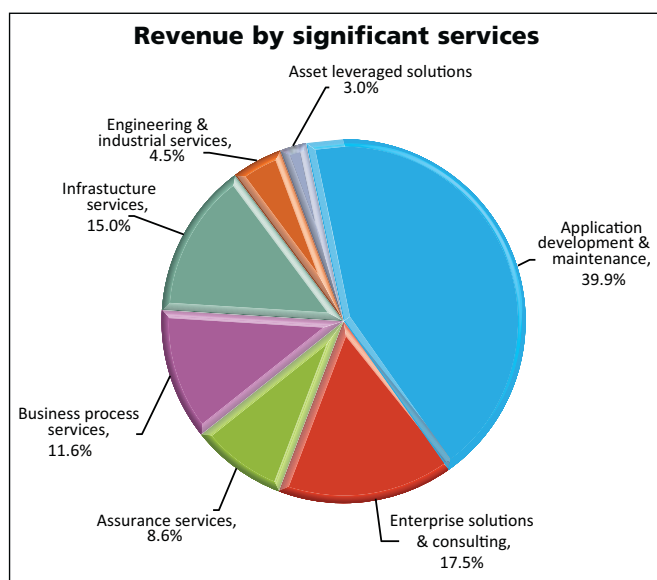
Among emerging markets, Middle East & Africa and Asia Pacific recorded significant growth due to TCS' sustained investment in market development and increasing customer acceptance of global delivery model. Among major markets, North America grew significantly better than the Company average. India, Europe, UK and Latin America registered good growth but below the Company average.

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Revenue by services

	Fiscal 2016			Fiscal 2015	
	₹ crores	% of revenue	% growth	₹ crores	% of revenue
Technology services:					
Application development and maintenance (ADM)	43,303.52	39.86	13.79	38,056.53	40.21
Enterprise solutions (ES) & consulting	18,990.09	17.48	6.18	17,885.45	18.88
Assurance services	9,388.09	8.64	16.61	8,050.80	8.51
Infrastructure services (IS)	16,250.74	14.96	24.10	13,095.00	13.84
Business process services (BPS)	12,585.77	11.58	13.88	11,051.65	11.68
Engineering and industrial services (EIS)	4,907.13	4.52	14.81	4,273.97	4.52
Asset leveraged solutions	3,220.87	2.96	44.11	2,235.01	2.36
Total	108,646.21	100.00	14.79	94,648.41	100.00



Asset leveraged solutions registered the highest growth (44.11%) well above the Company average. IS, assurance services and EIS recorded higher growth than the Company average, while growth in BPS, ADM and ES & consulting were lower.

ADM continues to be the major contributor although its relative weight to the total revenue has come down over the past years (39.86% in fiscal 2016, 52.20% in fiscal 2007) in line with our strategy of focusing on new services. Consequently, contribution from other services to total revenue has increased.

Employee costs and BA related expenses

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

Overseas business expenses primarily comprise living allowances paid to employees on overseas assignments.

For purpose of the management discussion and analysis (MD&A), employee related costs included in 'overseas business expenses' and costs related to business associates (BA) have been grouped under 'Employee and BA related expenses'.

	Fiscal 2016		Fiscal 2015 - ex rewards		% growth	Fiscal 2015 - as reported	
	₹ crores	% of revenue	₹ crores	% of revenue		₹ crores	% of revenue
Expenditure:							
Employee benefit expense	41,769.08	38.44	36,073.24	38.12	15.79	38,701.15	40.89
Overseas business expenses (employee allowances paid overseas)	13,678.65	12.59	12,223.20	12.91	11.91	12,223.20	12.91
Services rendered by business associates (BA) and others	7,947.99	7.32	6,220.25	6.57	27.78	6,220.25	6.57
Total	63,395.72	58.35	54,516.69	57.60	16.29	57,144.60	60.37

Employee benefit and BA costs aggregated ₹ 63,395.72 crores in fiscal 2016, representing 58.35% of revenue. Such costs have increased by 16.29%. In relation to revenue, this group of expenses remained steady showing a marginal increase of 0.75% in fiscal 2016 as compared to fiscal 2015.

Overseas business expenses (other than employee allowances paid overseas)

Overseas business expenses (other than employee allowances paid overseas) include travel expenses incurred in overseas locations. These expenses as percentage of revenue have decreased from 1.21% (₹ 1,140.71 crores) in fiscal 2015 to 1.06% (₹ 1,161.34 crores) in fiscal 2016.

Operation and other expenses

	Fiscal 2016		Fiscal 2015	
	₹ crores	% of revenue	₹ crores	% of revenue
Software, hardware and material costs	4,613.82	4.25	3,835.83	4.05
Communication	1,107.31	1.02	1,056.06	1.12
Travelling and conveyance	1,502.43	1.38	1,261.25	1.33
Rent	1,693.85	1.56	1,569.46	1.66
Legal and professional fees	639.83	0.59	596.30	0.63
Repairs and maintenance	730.26	0.67	705.00	0.74
Electricity	572.74	0.53	573.87	0.61
Recruitment and training	364.20	0.34	360.94	0.38
Others	2,274.92	2.09	1,922.68	2.03
Total	13,499.36	12.43	11,881.39	12.55

Operation and other expenses as a percentage of revenue has remained steady (12.55% of revenue in fiscal 2015, 12.43% of revenue in fiscal 2016).

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

In fiscal 2016, EBITDA was ₹ 30,589.79 crores (₹ 27,109.62 crores in fiscal 2015 ex rewards). There is a decrease of

0.48% in EBITDA as a percentage of revenue, primarily attributable to increase in employee and BA related expenses.

Other income (net)

Other income decreased from ₹ 3,229.91 crores in fiscal 2015 to ₹ 3,053.87 crores in fiscal 2016 primarily due to decrease in exchange gain (net) from ₹ 1,308.47 crores in fiscal 2015 to ₹ 743.26 crores in fiscal 2016, partially offset by (1) increase in profit on redemption of mutual funds, sale of government securities & other investments (net), from ₹ 233.10 crores in fiscal 2015 to ₹ 471.89 crores in fiscal 2016 and (2) increase in interest income on bank deposits, inter-corporate deposits and bonds & debentures from ₹ 1,596.61 crores in fiscal 2015 to ₹ 1,715.53 crores in fiscal 2016 arising out of effective treasury management.

Foreign exchange forward, option and futures contracts

TCS enters into foreign exchange forward, option and futures contracts to manage its exposure to exchange rate fluctuations, in accordance with its risk management policies.

TCS follows accounting principles in line with international financial reporting standard 9 (IFRS 9) to account for the aforesaid hedging instruments. Changes in the fair value of instruments designated as hedges of future cash flows are recognised directly in shareholders' funds if they are effective in hedging the risk. The ineffective portion is recognised immediately in the statement of profit and loss. The change in the time value as well as the intrinsic value of option is accumulated in hedging reserve and is classified to statement of profit and loss when the forecasted transaction occurs.

Foreign exchange forward, option and futures contracts outstanding at the reporting dates, other than designated cash flow hedges, are stated at their respective fair values

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and the resultant gains or losses are accounted as 'other income (net)' in the profit and loss account for the period.

Note 2 (m) to the consolidated financial statements describes the accounting policy relating to the derivative instruments and hedge accounting. Note 40 to the consolidated financial statements provide details of the derivative financial instruments entered by the Company during fiscal 2016 with comparatives for fiscal 2015.

Depreciation and amortisation

Depreciation and amortisation increased from ₹ 1,798.69 crores in fiscal 2015 to ₹ 1,947.96 crores in fiscal 2016. The increase was spread across all asset groups, mainly attributable to freehold buildings, electrical installations, furniture and fixtures, computers, leasehold improvement and plant & machinery. In relation to revenue, this group of expenses decreased from 1.90% in fiscal 2015 to 1.79% in fiscal 2016.

Exceptional item

In fiscal 2016 there has been no item which can be termed as "exceptional". In fiscal 2015, there was a one-time credit item of ₹ 489.75 crores shown under the head 'Exceptional item', representing the net impact of change in accounting policy for depreciation necessitated due to implementation of the Companies Act, 2013.

Profit before tax (PBT)

In fiscal 2016, PBT was ₹ 31,675.87 crores (₹ 28,926.40

crores in fiscal 2015 ex rewards). As a percentage of revenue, PBT decreased from 30.56% in fiscal 2015 to 29.16% in fiscal 2016. The decrease of 1.40% in fiscal 2016 is mainly due to (1) decrease in EBITDA of 0.48%, (2) other income by 0.60% and (3) the absence of the exceptional item which had contributed 0.52% to revenue in fiscal 2015.

Tax expense

Tax expense increased to ₹ 7,300.93 crores in fiscal 2016 from ₹ 6,238.79 crores as reported in fiscal 2015. The resultant effective tax rate has decreased from 23.72% in fiscal 2015 to 23.05% in fiscal 2016.

Minority interest

Minority interest registered a decrease from ₹ 214.52 crores in fiscal 2015 to ₹ 83.12 crores in fiscal 2016, primarily due to the amalgamation of a subsidiary, CMC Limited, with the Company. As a result of the amalgamation, the Company issued 1,16,99,962 equity shares to the shareholders of CMC Limited thereby extinguishing the minority interest held in CMC Limited.

Profit after tax (PAT)

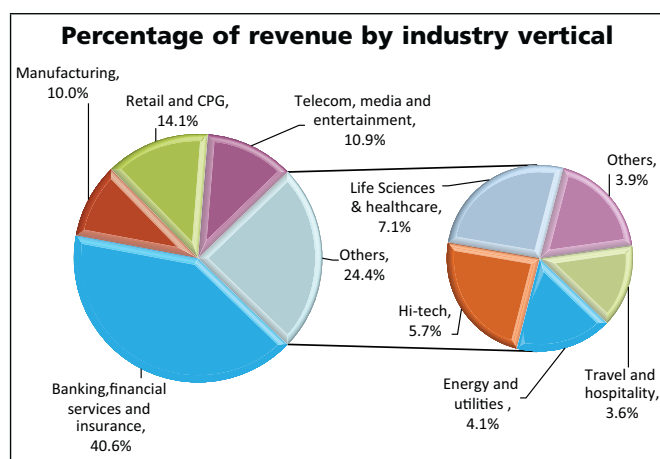
The net profit in fiscal 2016 was ₹ 24,291.82 crores (22.36% of revenue) as compared to ₹ 21,911.85 crores in fiscal 2015 ex rewards (23.15% of revenue). The decrease of 0.79% in terms of revenue is primarily attributable to decrease in PBT.

Segment performance

The Company considers industry as its primary segment and geography as its secondary segment. Revenue and expenses directly attributable to segments are reported under each reportable primary segment. The following table presents summary of revenue by industry segments.

	Segment revenue				
	Fiscal 2016	Fiscal 2015	Fiscal 2016	Fiscal 2015	% growth
	₹ crores		% of aggregate revenue		
Banking, financial services and insurance	44,162.64	38,565.66	40.65	40.74	14.51
Retail and CPG	15,274.01	12,829.01	14.06	13.55	19.06
Telecom, media and entertainment	11,854.32	10,933.55	10.91	11.55	8.42
Manufacturing	10,908.81	9,242.45	10.04	9.77	18.03
Others	26,446.43	23,077.74	24.34	24.39	14.60
Total	108,646.21	94,648.41	100.00	100.00	14.79

Revenue by industry in fiscal 2016



In fiscal 2016, BFSI continued to contribute the largest share to revenue (40.65%) at a growth rate of 14.51%, almost same as the Company average. Verticals which contributed impressive growth rates are retail & CPG (19.06%) and manufacturing (18.03%). The verticals grouped in 'Others' also registered good growth of 14.60% - significant contributors were, life sciences & healthcare (27.12%) and travel, transportation & hospitality (18.13%).

Industry segment wise performance

In the following discussions on results of significant segments in fiscal 2016, the impact of one-time employee reward on the results in fiscal 2015 have been excluded for like to like comparison.

Banking, financial services and insurance (BFSI)

The BFSI industry segment is witnessing an increased spend on strategic initiatives like automation, digitisation and simplification. Digitisation is now the default strategy for banks. Increasingly vigilant regulators have ensured that governance, risk management and compliance (GRC) continue to demand an increased attention by banks.

The digital revolution is redrawing the boundaries of financial services and lowering entry barriers encouraging challengers to emerge. Openings are being created for focused, fast-moving competitors. As a response, banks are renewing their focus on innovation in product creation, bundling, distribution & servicing. The key themes of innovation revolve around data, customer experience, artificial intelligence, APIs, blockchain, etc. Financial institutions are designing competition models and ecosystem tenets to tackle the dynamic environment to maintain their distinct identity and stay relevant for the future.

The Company has invested in a broad array of offerings in the areas of analytics, biometrics, blockchain, etc. It is collaborating with 'fintech' firms working in niche areas and looking at joint go-to-market opportunities.

In fiscal 2016, the insurance industry continued to experience a soft market. Insurers have been trying to improve profits through underwriting, expense reduction and tighter scrutiny of capital investments because of poor investment yields and rate declines across most insurance lines of business. Increased competition and disruption from new players in the industry continue to impact rate and customer retention. Stricter regulatory requirements in North America, UK and Europe add pressure to the industry as a whole. These trends and market conditions are forcing insurers to change their existing business models and operate more efficiently. The industry is under pressure to transform.

The Company has invested in business transformation through digital innovation, application & infrastructure modernisation and risk management. It continues to develop digital technology-based solutions that are targeted towards delivering benefits across the insurance value chain. It has continued to grow its digital influence, and has expanded its footprint through new clients in Europe and North America.

In fiscal 2016, BFSI constituted 40.65% of Company's revenue (40.74% in fiscal 2015), growing at 14.51% (9.83% in fiscal 2015).

Telecom, media and entertainment

As a group, telecom, media & entertainment witnessed revenue growth of 8.42 % in fiscal 2016 (13.73% in fiscal 2015).

Communications industry firms which have stayed with their traditional lines of business have seen erosion in their subscriber base and drop in margins due to entry of new media and new technology firms such as Skype,

WhatsApp, and Google that piggyback unrestricted on telecom infrastructure. Telecom operators are trying to avoid becoming just simple data channels in the digital era where the value is increasingly shifting to digital content from infrastructure provisioning. Novelty around non-traditional business models like mobile payments, IoT applications brought new opportunities for the telecom industry.

Media industry firms have seen an acceleration in the shift of their business from traditional to digital during the year. Shrinking newspaper and magazine subscriptions, stagnant publishing and information services resulted in missed growth targets by entertainment and broadcast firms. Entry of born digital firms such as Facebook and Google took the business away from traditional firms. The industry firms are therefore under pressure to reduce their cost base, including IT costs, and accelerate their transformation to digital. Overall the media industry grew slower than what was forecast earlier with the shift to digital taking away traditional revenues at a pace faster than substitution by digital growth for many firms.

Mergers and acquisitions have gathered pace as a way of consolidation and capturing value from other growing parts of the value chain. What started with Comcast and NBCU accelerated with other consolidation such as Verizon - AOL, IBM - The Weather Channel, AT&T - Quickplay, Amazon Web Services - Elemental Technologies, Ericsson - Envivo, Comscore - Rentrack and NewsCorp - Digital First Media. The communications and media firms interplay is likely to continue through 2016 and beyond.

Fundamental enablers for the overall growth of communications and media industries all point in the right direction. Proliferation of mobile devices, exponential growth in both content creation and consumption, high growth rate in particular of video consumption, proliferation of IoT to multiple sectors of all industries and a continued growth in broadband connectivity will continue to drive the industry momentum.

We are likely to see growth in over the top video, innovations such as blockchain, software defined networks and network function virtualization becoming more mainstream in 2016. Enterprise IT functions will continue to strive for efficiency whereas digital products and services will aim for time to market drivers. Cloud will gain momentum with the inhibitions around security giving way rapidly as firms realize that their enterprise data centers are no more secure than the cloud.

The Company's rich industry experience and domain expertise enables it to deliver a suite of offerings which addresses the industry's demand on digital products, service quality management, expansion of core capabilities into adjacencies, process automation, data monetisation, network management and implementation of next generation technologies. The Company's key digital platforms such as Hosted OSS/BSS (HOBS), 'Customer

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Intelligence and Insights' (CI&I) gained increased customer adoption in the fiscal 2016. The Company has invested in building "Fit for Purpose" platforms and solutions which have enabled multiple service providers and enterprises across the globe to simplify their business, diversify and grow in emerging areas.

Retail and CPG

The retail segment was one of the fastest growing industry verticals in the global market for outsourced IT services.

Retailer's IT spend is largely driven by their need to deliver a unified, personalised and frictionless experience. To enable this, there is focus on creating real time, agile and simplified enterprises powered by the digital forces. Micro-services based architecture, big data analytics, cloud, IoT, virtual reality, artificial intelligence and machine learning cognitive computing, are some of the key levers that will be employed by retailers to deliver the interconnected customer journey. The focus on security and data privacy continues to be paramount.

To support the above initiatives of retail clients, the Company is investing significantly in building differentiated products, solutions and offerings. It has developed first-of-its kind, micro services enabled unified store commerce platform 'Omnistore™', digital merchandising suite 'Optumera™' and 'Omnistock™' for omni-channel supply chain. TCS' Digital Operations Studio™ is designed to help retailers deliver break-free customer experience. The retail innovation lab continues to research and develop solution to enable digital physical experience and optimised store operations.

CPG companies are working on transforming themselves in the omni-channel world where consumers are adjusting their buying habits and shifting from retail stores to e-commerce making advertisers to follow them online. CPG companies are looking to invest in the technologies such as e-commerce, omni-channel supply chain, targeted digital marketing, next generation CPG retailer collaboration, sales transformation led by cloud technologies, optimised trade promotions and IoT technologies to improve customer experience; and advanced analytics for deep consumer insights.

TCS' CPG is making significant investments in the area of digital, sales, marketing, supply chain and analytics to help CPG companies realise their transformation journey. Some of the key CPG offerings in the above areas are: a) digital marketing and digital commerce, b) cloud based sales and marketing transformation, c) omni-channel supply chain solutions, d) next generation planning solution based on SAP IBP and e) data ingestion platform based on advanced analytics. TCS' CPG has been voted 'Best in Class' CGT readers' choice award 2016, amongst top providers in the categories of consulting and outsourcing.

The segment revenue has recorded a growth of 19.06% in fiscal 2016 (13.44% in fiscal 2015).

Manufacturing

The manufacturing industry overall continues to demonstrate stable business performance with continued emphasis on customer centricity, digitalisation of products, portfolio balancing with services and asset productivity. In line with this, TCS' manufacturing continues to invest in building industry specific core capabilities with focus on innovation & transformation, business advisory and re-imagination of digital enabled business models.

To capture the growth opportunities driven by the impact of emerging technologies across the manufacturing industries, TCS is focusing on building innovative solutions and accelerators that help customers address their most significant areas of competitiveness.

The Company continues to align traditional lines of services such as enterprise resource planning (ERP), customer relationship management (CRM), product lifecycle management (PLM) and military engineer service (MES) with modern digital capabilities to deliver differentiated services as new product innovation, service life cycle management, analytics as a service, digital customer experience journey, etc. Automation and digitalisation of IT services is also contributing significantly to agile and business response services across service lines.

Manufacturing industry revenue recorded a growth of 18.03% in fiscal 2016 (32.24% in fiscal 2015).

Others

Segments combined in 'Others' includes:

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

Despite a sharp slowdown in the energy sub-segment towards the end of the fiscal year, resulting from the depressed oil prices, all the segments grouped in 'Others' showed good revenue growth over fiscal 2015, reflecting the Company's growing traction in these industries on the back of strong domain expertise and domain-specific digital solutions.

In fiscal 2016, the aggregate growth of 'Others' segment showed a healthy growth of 14.60%. The share of these segments in aggregate revenue remained steady at 24.34% in fiscal 2016 (24.39% in fiscal 2015).

'Life sciences & healthcare' registered high growth in revenue at 27.12% followed by 'travel, transportation and hospitality' 18.13%, 'energy, resources and utilities' 13.61% and 'hi-tech' 12.99%.

FINANCIAL POSITION — CONSOLIDATED

Share capital

	As at March 31, 2016	As at March 31, 2015
Authorised		
460.05 crores equity shares of ₹ 1 each	460.05	420.05
105.03 crores redeemable preference shares of ₹ 1 each	105.03	105.03
Total	565.08	525.08
Issued, subscribed and fully paid-up		
195.87 crores equity shares of ₹ 1 each	195.87	195.87
1.17 crores equity shares issued during the period	1.17	-
Total	197.04	195.87

In fiscal 2016, the authorised equity share capital was increased to 460.05 crores equity shares of ₹ 1 each, pursuant to the amalgamation of its subsidiaries – WTI Advanced Technology Limited and CMC Limited.

1.17 crores equity shares were issued to the shareholders of CMC Limited in terms of the scheme of arrangement sanctioned by the High Courts of Judicature at Bombay and Hyderabad (vide note 29 to the financial statements and the section on acquisition / amalgamation in MD&A for details).

Short-term and long-term borrowings

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Short-term borrowings		Long-term borrowings		Total borrowings	
Secured loans: overdraft from banks	111.80	-	-	-	111.80	-
Unsecured loans: overdraft from banks	1.16	185.56	-	-	1.16	185.56
Secured loans: long-term maturities of finance lease obligations	-	-	82.24	113.69	82.24	113.69
Unsecured borrowings from entities other than banks	-	-	0.29	0.58	0.29	0.58
Total	112.96	185.56	82.53	114.27	195.49	299.83

The Company's long-term obligations under finance lease (refer note 5 to the consolidated financial statements) was ₹ 82.24 crores as at March 31, 2016 (₹ 113.69 crores as

Reserves and surplus

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. Foreign currency translation reserve increased from ₹ 1,051.17 crores as at March 31, 2015 to ₹ 1,418.25 crores as at March 31, 2016, due to movement in exchange rates of currencies in fiscal 2016.

The closing balance of hedging reserve account, arising out of cash flow hedges as at March 31, 2016 was a net gain of ₹ 56.77 crores (₹ 150.75 crores net gain as at March 31, 2015). Note 40 to the consolidated financial statements gives details of movements in the hedging reserve account.

In fiscal 2016, the capital redemption reserve increased to ₹ 523.57 crores from ₹ 413.09 crores in fiscal 2015 on account of transfer of ₹ 110.48 crores pursuant to redemption of preference shares by a subsidiary.

Balance in statement of profit and loss as at March 31, 2016 was ₹ 50,618.70 crores (₹ 39,012.65 crores as at March 31, 2015) after appropriation towards equity dividend (interim and proposed final dividend), tax on dividends, transfer to general reserves, statutory reserve and capital redemption reserve.

Reserves and surplus at the end of fiscal 2016 stood at ₹ 65,163.52 crores, an increase of 29.19% over ₹ 50,438.89 crores at the end of fiscal 2015. ₹ 2,303.77 crores was transferred to the general reserve from the profit and loss account for fiscal 2016.

at March 31, 2015). These are secured against fixed assets obtained under finance lease arrangements.

The decrease in short term borrowings (₹ 112.96 crores as

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at March 31, 2016; ₹ 185.56 crores as at March 31, 2015) was mainly attributable to the reduction of ₹ 184.40 crores in unsecured bank overdraft, offset by increase in secured bank overdraft of ₹ 111.80 crores required for management of working capital. The secured loans are secured against book debts.

Trade payables (current liabilities)

Trade payables (current liabilities), representing payables for purchase of goods and services decreased from ₹ 8,830.93 crores as at March 31, 2015 to ₹ 7,539.93 crores as at March 31, 2016. As percentage of revenue, trade payables have decreased from 9.33% in fiscal 2015 to 6.94% in fiscal 2016. The decrease is primarily attributable to the one-time employee reward of ₹ 2,627.91 crores which was provided in fiscal 2015 and liquidated in fiscal 2016.

Deferred tax liability (net) and deferred tax assets (net)

As stated in the accounting policies, deferred tax assets and liabilities are offset, tax jurisdiction-wise. Note 6 to the consolidated financial statements brings out details of component-wise deferred tax balances where the net values result into liabilities or assets, jurisdiction-wise.

Deferred tax liability or asset is recognised on timing difference being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Such timing differences resulting in deferred tax liability or asset usually arise on branch profit tax, depreciation and employee benefit expenses.

The net deferred tax liability was ₹ 441.17 crores as at March 31, 2016. (₹ 342.96 crores as at March 31, 2015).

As at March 31, 2016, the net deferred tax asset had a balance of ₹ 822.94 crores (₹ 593.94 crores as at March 31, 2015). The Company assesses the likelihood of deferred tax assets getting recovered from future taxable income.

Other current and long-term liabilities

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Other current liabilities		Other long-term liabilities		Total other liabilities	
Income received in advance	1,358.86	1,062.31	-	-	1,358.86	1,062.31
Advance received from customers	164.23	130.76	-	-	164.23	130.76
Other payables	3,683.89	2,317.90	-	-	3,683.89	2,317.90
Other liabilities	150.47	135.62	745.10	825.02	895.57	960.64
Total	5,357.45	3,646.59	745.10	825.02	6,102.55	4,471.61

Other current liabilities

Other current liabilities increased from ₹ 3,646.59 crores as at March 31, 2015 to ₹ 5,357.45 crores as at March 31, 2016. The increase was primarily due to:

- increase in other payables from ₹ 2,317.90 crores as at March 31, 2015 to ₹ 3,683.89 crores as at March 31, 2016. Other payables include (1) statutory liabilities ₹ 1,378.59 crores as at March 31, 2016 (₹ 1,143.66 crores as at March 31, 2015), (2) Fair values of foreign exchange forward, option and future contracts secured against trade receivables ₹ 152.43 crores as at March 31, 2016 (₹ 19.75 crores as at March 31, 2015) and (3) Liabilities for cost related to customer contracts ₹ 881.55 as at March 31, 2016 (₹ 727.79 crores as at March 31, 2015)
- increase in income received in advance from ₹ 1,062.31 crores as at March 31, 2015 to ₹ 1,358.86 crores as at March 31, 2016. Income received in advance represents advance billings to customers not recognised as revenue

- increase in advance received from customers from ₹ 130.76 crores as at March 31, 2015 to ₹ 164.23 crores as at March 31, 2016
- increase in other liabilities to ₹ 150.47 crores as at March 31, 2016 (₹ 135.62 crores as at March 31, 2015) mainly on account of operating lease liabilities ₹ 79.87 crores as at March 31, 2016 (₹ 57.50 crores as at March 31, 2015).

Other long-term liabilities

Other long-term liabilities decreased to ₹ 745.10 crores as at March 31, 2016 (₹ 825.02 crores as at March 31, 2015). The decrease was primarily attributable to:

- decrease in other liabilities to ₹ 303.83 crores as at March 31, 2016 (₹ 412.98 crores as at March 31, 2015)
- decrease in capital creditors to ₹ 61.78 crores as at March 31, 2016 (₹ 67.53 crores as at March 31, 2015)
- offset by increase in lease rental liabilities to ₹ 379.49 crores as at March 31, 2016 (₹ 344.51 crores as at March 31, 2015).

Short-term and long-term provisions

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Short-term provisions		Long-term provisions		Total provisions	
Provision for employee benefits	1,635.30	1,356.15	236.80	203.39	1,872.10	1,559.54
Proposed final dividend on equity shares	5,320.16	4,700.95	-	-	5,320.16	4,700.95
Tax on dividend	1,088.13	947.68	-	-	1,088.13	947.68
Current income taxes (net)	806.75	547.34	-	-	806.75	547.34
Provision for foreseeable loss on a long-term contract	114.83	103.04	40.48	94.48	155.31	197.52
Total	8,965.17	7,655.16	277.28	297.87	9,242.45	7,953.03

The increase in short-term provisions was mainly attributable to:

- proposed final dividend on equity shares ₹ 5,320.16 crores as at March 31, 2016 (₹ 4,700.95 crores as at March 31, 2015)
- provision for employee benefits ₹ 1,635.30 crores as at March 31, 2016 (₹ 1,356.15 crores as at March 31, 2015)
- tax on dividend ₹ 1,088.13 crores as at March 31, 2016 (₹ 947.68 crores as at March 31, 2015)
- provision for current taxes ₹ 806.75 crores as at March 31, 2016 (₹ 547.34 crores as at March 31, 2015).

Fixed assets

Additions to the gross block in fiscal 2016 amounted to ₹ 3,103.89 crores (₹ 3,662.91 crores in fiscal 2015).

The Company has been investing in infrastructure development across various locations in India to meet its growing business needs. In fiscal 2016, TCS has invested in state-of-the-art facilities at Mumbai, Hyderabad, Kolkata, Thiruvananthapuram, Nagpur, Bangalore & Delhi for significant capacities.

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, 2016 stood at ₹ 1,900.55 crores (₹ 2,093.22 crores as at March 31, 2015). Pursuant to the amalgamation of CMC Limited, the general reserve has been adjusted by the goodwill relating to this subsidiary, thereby reducing the goodwill on consolidation.

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Overview of funds invested

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Current		Non-current		Total funds invested	
Investments in mutual funds, government securities & others	21,554.29	1,492.60	57.67	7.16	21,611.96	1,499.76
Deposits with banks	2,933.75	16,734.34	415.00	500.08	3,348.75	17,234.42
Inter-corporate deposits	1,698.00	1,083.00	2,464.00	1,572.00	4,162.00	2,655.00
Cash and bank balances	3,411.05	1,509.03	-	-	3,411.05	1,509.03
Total	29,597.09	20,818.97	2,936.67	2,079.24	32,533.76	22,898.21

Funds invested exclude earmarked balances with bank, trade investments and liabilities for purchase of government securities.

Investible funds went up by ₹ 9,635.55 crores (₹ 22,898.21 crores as at March 31, 2015 to ₹ 32,533.76 crores as at March 31, 2016), mainly driven by:

- increase in investments of ₹ 20,112.20 crores primarily due to investment in government securities amounting to ₹ 19,367.09 crores during fiscal 2016
- increase in cash and bank balances by ₹ 1,902.02 crores
- increase in inter-corporate deposits by ₹ 1,507.00 crores
- offset by decrease in deposits with banks by ₹ 13,885.67 crores.

Acquisition / amalgamation

Details of acquisition / amalgamation are given in note 29 to the consolidated financial statements.

On April 1, 2015 ("the appointed date"), CMC Limited, a subsidiary, amalgamated with the Company in accordance with the 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.

On July 2, 2015, the Company through its wholly owned subsidiary, Tata Consultancy Services Netherlands BV subscribed to 76% share capital of Tata Consultancy Services Saudi Arabia.

On October 30, 2015, the Company through its wholly owned subsidiaries TCS Inversiones Chile Limitada and Tata Consultancy Services Chile S.A. subscribed to 100% share capital of Technology Outsourcing S.A.C, an information technology services provider in Peru.

Trade receivables (AR) and unbilled revenue (UBR)

As a percentage of revenue, AR increased to 22.15% as at March 31, 2016 from 21.59% as at March 31, 2015.

UBR as percentage of revenue declined to 3.67% in fiscal 2016 from 4.04% in fiscal 2015.

The Company monitors AR and UBR net of unearned revenues (UER) separately and collectively. The close monitoring has ensured that the AR and UBR net of UER as a percentage of revenue has remained steady (24.58% in fiscal 2016, 24.51% in fiscal 2015).

Short-term and long-term loans and advances

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Short-term loans and advances		Long-term loans and advances		Total loans and advances	
Loans and advances to employees	1,077.72	387.10	7.49	9.05	1,085.21	396.15
Advance tax [including refund receivable (net)]	31.68	74.93	4,464.21	4,092.34	4,495.89	4,167.27
MAT credit entitlement	5.00	5.25	1,981.52	1,899.76	1,986.52	1,905.01
Inter-corporate deposits	1,698.00	1,083.00	2,464.00	1,572.00	4,162.00	2,655.00
Prepaid expenses	1,376.03	1,512.13	447.78	534.25	1,823.81	2,046.38
Capital advances	-	-	187.13	206.71	187.13	206.71
Others	1,393.92	1,084.04	843.35	840.81	2,237.27	1,924.85
Total	5,582.35	4,146.45	10,395.48	9,154.92	15,977.83	13,301.37

Loans and advances as at March 31, 2016 increased by ₹ 2,676.46 crores arising out of increase in short-term loans and advances by ₹ 1,435.90 crores and long-term loans and advances by ₹ 1,240.56 crores.

The increase in short-term loans and advances was primarily attributable to:

- increase in loans and advances to employees by ₹ 690.62 crores mainly to assist those impacted by Chennai floods
- increase in inter-corporate deposits by ₹ 615.00 crores
- increase in other short term loans and advances by ₹ 309.88 crores primarily on account of increase in fair value of foreign exchange forward, option and

future contracts (₹ 171.86 crores) and increase in advance to suppliers (₹ 130.44 crores)

- offset by decrease in prepaid expense by ₹ 136.10 crores.

The increase in long-term loans and advances was primarily attributable to:

- increase in inter-corporate deposits by ₹ 892.00 crores
- increase in advance tax (net of provision for taxes) ₹ 371.87 crores against demands from tax authorities, which have been contested by the Company
- increase in MAT credit entitlement ₹ 81.76 crores
- offset by decrease in prepaid expenses ₹ 86.47 crores.

Other current and non-current assets

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Other current assets		Other non-current assets		Total other assets	
Interest receivable	202.76	331.93	72.74	24.37	275.50	356.30
Long term bank deposits	-	-	501.38	500.49	501.38	500.49
Others	60.65	4.89	0.29	0.44	60.94	5.33
Total	263.41	336.82	574.41	525.30	837.82	862.12

Other current and non-current assets as at March 31, 2016 reduced by ₹ 24.30 crores primarily on account of:

- decrease in interest receivable by ₹ 80.80 crores
- offset by increase in other current assets by ₹ 55.76 crores.

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CASH FLOW — CONSOLIDATED

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

The one-time employee reward, provided on accrual basis in the financial statements for fiscal 2015 was paid in fiscal 2016. In the following discussions, the impact of the one-time employee reward on cash flow from operating activities has been excluded for like to like comparison.

Summary of cash flow statement:

(₹ crores)

	Fiscal 2016 - excluding payment of one-time employee reward	Fiscal 2015 as reported	Fiscal 2016 as reported
Net cash provided by / (used in)			
Operating activities	21,581.44	19,368.78	19,115.44
Investing activities	(5,208.67)	(1,701.32)	(5,208.67)
Financing activities	(9,616.12)	(17,167.61)	(9,616.12)
Exchange difference on translation of foreign currency cash and cash equivalents	139.52	(105.82)	139.52
Net (decrease) / increase in cash and cash equivalents after translation	6,896.17	394.03	4,430.17

Cash flows from operating activities

(₹ crores)

	Fiscal 2016 - excluding payment of one-time employee reward	Fiscal 2015 - excluding provision of one-time employee reward	Fiscal 2016 as reported	Fiscal 2015 as reported
Profit before tax	31,675.87	28,926.40	31,675.87	26,298.49
Adjustments: depreciation and amortisation	1,947.96	1,308.94	1,947.96	1,308.94
Other non-cash adjustments	67.78	233.44	67.78	233.44
Non operating income (net)	(2,183.71)	(1,737.55)	(2,183.71)	(1,737.55)
Effect of working capital changes	(2,223.58)	(1,880.69)	(4,823.58)	747.22
Cash generated from operations	29,284.32	26,850.54	26,684.32	26,850.54
Taxes paid	(7,702.88)	(7,481.76)	(7,568.88)	(7,481.76)
Net cash provided by operating activities	21,581.44	19,368.78	19,115.44	19,368.78

Cash generated from operations, was ₹ 29,284.32 crores in fiscal 2016 (₹ 26,850.54 crores in fiscal 2015), registering an increase of 9.06% over the previous fiscal. In fiscal 2016, an additional amount of ₹ 2,223.58 crores was used in working capital to meet the expanding business requirements. The net cash inflow from operating activities was ₹ 21,581.44 crores (₹ 19,368.78 crores in fiscal 2015).

Cash flows from investing activities

(₹ crores)

	Fiscal 2016	Fiscal 2015
Fixed asset (net)	(2,024.36)	(2,942.50)
Other investments (net)	(19,625.79)	2,064.79
Deposits with banks (net)	16,142.07	(2,644.38)
Inter - corporate deposits (ICD) (net)	(1,507.00)	155.00
Interest received	1,795.15	1,994.40
Other items (net)	11.26	(328.63)
Net cash used in investing activities	(5,208.67)	(1,701.32)

During fiscal 2016, cash used in investing activities was primarily attributable to:

- net purchase of investments ₹ 19,625.79 crores (net sale ₹ 2,064.79 crores in fiscal 2015), mainly of government securities
- net investment in fixed assets ₹ 2,024.36 crores (₹ 2,942.50 crores in fiscal 2015)
- net ICD placed ₹ 1,507.00 crores (net ICD matured ₹ 155.00 crores in fiscal 2015).

Cash provided by investing activities was primarily attributable to:

- maturity proceeds of deposits with banks (net) ₹ 16,142.07 crores (₹ 2,644.38 crores invested in deposits in fiscal 2015)
- interest received on investments ₹ 1,795.15 crores (₹ 1,994.40 crores in fiscal 2015).

Cash flows from financing activities

(₹ crores)

	Fiscal 2016	Fiscal 2015
Dividends paid including dividend tax	(9,524.41)	(17,105.57)
Other payments	(91.71)	(62.04)
Net cash used in financing activities	(9,616.12)	(17,167.61)

In fiscal 2016, dividend paid includes the final dividend payout and tax thereon for fiscal 2015 approved by the shareholders at the last annual general meeting (₹ 24 per share). In addition, the dividend paid includes the interim dividend of fiscal 2016 (₹ 16.5 per share). A special dividend of ₹ 40 per share resulted in higher cash outflow in fiscal 2015.

Other payments in fiscal 2016 include net payments related to borrowings.

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TCS'S PERFORMANCE TREND (INDIAN GAAP CONSOLIDATED)

PERFORMANCE SUMMARY

(₹ crores)

	Fiscal 2016	Fiscal 2015*	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Revenue											
Total revenue	108,646.21	94,648.41	94,648.41	81,809.36	62,989.48	48,893.83	37,324.51	30,028.92	27,812.88	22,619.52	18,685.21
Revenue by geographic segments											
North America	57,891.63	49,085.94	49,085.94	43,385.87	33,854.40	26,064.25	20,107.48	15,855.37	14,290.93	11,388.49	9,796.25
UK	17,171.43	15,783.29	15,783.29	14,251.38	10,760.53	7,453.28	5,770.80	4,860.18	5,282.46	4,497.51	3,791.03
Europe	11,920.64	10,946.34	10,946.34	9,181.32	6,052.88	4,928.25	3,479.87	3,149.39	2,929.76	2,105.51	1,529.45
India	6,728.81	6,107.55	6,107.55	5,487.80	4,890.26	4,202.29	3,435.06	2,597.90	2,182.12	2,045.62	1,681.99
Rest of the world	14,933.70	12,725.29	12,725.29	9,502.99	7,431.41	6,245.76	4,531.30	3,566.08	3,127.61	2,582.39	1,886.49
Cost											
Employee and BA related cost	63,395.72	54,516.69	57,144.60	45,424.67	35,685.60	27,097.96	20,549.34	16,327.72	15,597.77	12,261.54	9,847.00
Other costs	14,660.70	13,022.10	13,022.10	11,231.90	9,263.97	7,360.56	5,596.81	5,006.65	5,045.31	4,646.60	3,699.36
Total cost (excluding interest & depreciation)	78,056.42	67,538.79	70,166.70	56,656.57	44,949.57	34,458.52	26,146.15	21,334.37	20,643.08	16,908.14	13,546.36
Profitability											
EBIDTA (before other income)	30,589.79	27,109.62	24,481.71	25,152.79	18,039.91	14,435.31	11,178.36	8,694.55	7,169.80	5,711.38	5,138.85
Profit before tax	31,675.87	28,436.65	25,808.74	25,401.86	18,089.73	13,923.31	11,020.62	8,289.63	6,150.07	5,845.95	4,918.28
Profit after tax	24,291.82	21,911.85	19,852.18	19,163.87	13,917.31	10,413.49	9,068.04	7,000.64	5,256.42	5,026.02	4,212.63
Financial position											
Equity share capital	197.04	195.87	195.87	195.87	195.72	195.72	195.72	195.72	97.86	97.86	97.86
Reserves and surplus	65,163.52	58,139.66	50,438.89	48,998.89	38,350.01	29,283.51	24,209.09	18,171.00	15,502.15	12,102.26	8,752.24
Gross block	20,244.65	17,316.05	17,316.05	13,897.41	11,622.99	9,447.83	7,792.24	6,419.51	5,843.86	4,291.80	3,197.71
Total investments	22,585.60	1,661.78	1,661.78	3,433.74	1,897.34	1,350.33	1,762.67	3,682.08	1,614.41	2,606.16	1,256.87
Net current assets	41,091.88	36,188.94	28,494.76	27,227.38	19,733.75	12,672.65	9,790.38	7,395.02	7,544.12	5,553.32	4,331.11
Earnings per share in ₹											
EPS - as reported	123.28	111.87	101.35	97.67	70.99	53.07	46.27	35.67	53.63	51.36	43.05
EPS - adjusted for bonus issue	123.28	111.87	101.35	97.67	70.99	53.07	46.27	35.67	26.81	25.68	21.53
Headcount (number)											
Headcount (including subsidiaries) as on March 31 st	353,843	319,656	319,656	300,464	276,196	238,583	198,614	160,429	143,761	111,407	89,419

*excluding impact of one-time employee reward

RATIO ANALYSIS

Ratio Analysis	Units	Fiscal 2016	Fiscal 2015*	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Ratios - financial performance												
Employee cost/total revenue	%	51.04	51.03	53.80	49.49	50.68	50.48	50.38	50.17	52.07	50.45	48.17
Other operating cost/total revenue	%	20.81	20.33	20.33	19.77	20.68	19.99	19.67	20.88	22.15	24.30	24.32
Total cost/total revenue	%	71.84	71.36	74.13	69.25	71.36	70.48	70.05	71.05	74.22	74.75	72.50
EBIDTA (before other income)/total revenue	%	28.16	28.64	25.87	30.75	28.64	29.52	29.95	28.95	25.78	25.25	27.50
Profit before tax/total revenue	%	29.16	30.04	27.27	31.05	28.72	28.48	29.53	27.61	22.11	25.84	26.32
Tax/total revenue	%	6.72	7.18	6.60	7.42	6.37	6.95	4.91	3.99	3.02	3.48	3.55
Effective tax rate - tax/PBT	%	23.05	23.51	23.72	23.90	22.19	24.42	16.61	14.44	13.64	13.45	13.50
Profit after tax/total revenue	%	22.36	23.15	20.97	23.43	22.09	21.30	24.30	23.31	18.90	22.22	22.55
Ratios - growth												
Total revenue	%	14.79	15.69	15.69	29.88	28.83	31.00	24.30	7.97	22.96	21.06	40.87
EBIDTA (before other income)	%	24.95	7.78	(2.67)	39.43	24.97	29.14	28.57	21.27	25.54	11.14	39.48
Profit after tax	%	22.36	14.34	3.59	37.70	33.65	14.84	29.53	33.18	4.58	19.31	42.00
Ratios - Balance Sheet												
Debt-equity ratio	Times	0.00	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.04	0.04	0.06
Current ratio	Times	2.87	3.91	2.40	2.74	2.69	2.22	2.35	1.88	2.26	2.24	2.24
Days sales outstanding (DSO) in ₹ terms	Days	81	79	79	81	82	86	80	71	79	87	84
Invested funds / total assets	%	48.26	38.02	43.51	43.01	36.38	34.81	36.81	45.68	26.29	28.97	27.03
Capital expenditure / total revenue	%	1.86	3.11	3.11	3.80	4.18	4.06	4.85	3.43	3.95	5.58	6.64
Operating cash flows / total revenue	%	19.86 [#]	20.46	20.46	18.03	18.44	14.27	17.72	24.66	19.45	17.22	18.58
Free cash flow/operating cash flow ratio	%	90.62 [#]	84.81	84.81	78.90	77.33	71.52	72.66	86.07	79.70	67.60	64.25
Depreciation / average gross block	%	10.37	11.53	11.53	10.57	10.25	10.65	10.35	10.78	11.13	15.05	17.10
Ratios - per share												
EPS - adjusted for bonus ₹	₹	123.28	111.87	101.35	97.67	70.99	53.07	46.27	35.67	26.81	25.68	21.53
Price earning ratio, end of year	Times	20.41	22.77	25.13	21.79	22.14	22.01	25.56	21.89	10.07	15.79	28.97
Dividend per share	₹	43.50	79.00	79.00	32.00	22.00	25.00	14.00	20.00	14.00	14.00	13.00
Dividend per share - adjusted for bonus ₹	₹	43.50	79.00	79.00	32.00	22.00	25.00	14.00	20.00	7.00	7.00	5.75
Market capitalisation/total revenue	Times	4.56	5.27	5.27	5.10	4.88	4.67	6.20	5.09	1.90	3.51	6.53

*excluding impact of one-time employee reward

[#] excluding impact of payment of one-time employee reward

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FINANCIAL PERFORMANCE UNCONSOLIDATED

The management discussion and analysis given below relate to the audited financial statements of Tata Consultancy Services Limited (hereinafter referred to as TCS Limited or TCSL). The discussion should be read in conjunction with the financial statements and related notes to the financial statements for the year ended March 31, 2016.

Summary

Revenue of TCS Limited aggregated ₹ 85,863.85 crores in fiscal 2016 as compared to ₹ 73,578.06 crores in fiscal 2015, registering a growth of 16.70%.

For a like to like comparison, the financial performance and other operating parameters relevant to fiscal 2016 have been analysed with reference to the performance in fiscal 2015, without considering the impact of one-time employee reward (referred to as 'ex rewards') in fiscal 2015.

Other significant financial parameters are:

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

The EBITDA aggregated ₹ 26,949.21 crores in fiscal 2016 (₹ 23,354.62 crores in fiscal 2015, ex rewards) – a growth of 15.39%.

- **Profit before tax (PBT)**

PBT aggregated ₹ 29,116.64 crores in fiscal 2016 (₹ 26,876.39 crores in fiscal 2015, ex rewards) – a growth of 8.34%.

- **Profit after tax (PAT)**

PAT aggregated ₹ 22,882.70 crores in fiscal 2016 (₹ 21,091.43 crores in fiscal 2015, ex rewards) – a growth of 8.49%.

- **Earnings per share (EPS)**

EPS aggregated ₹ 116.13 in fiscal 2016 (₹ 107.68 in fiscal 2015, ex rewards) – a growth of 7.85%.

DIVIDEND

Decision on dividend is based on TCS Limited (unconsolidated) financials which excludes the performance of subsidiaries of TCS Limited.

The board of directors decides on interim dividend based on the performance of TCSL during the course of the year. For fiscal 2016, TCSL declared three interim dividends of ₹ 5.5 per equity share and a final dividend of ₹ 27 per equity share has been recommended by the board of directors at its meeting held on April 18, 2016.

Post approval of final dividend of ₹ 27 per equity share by the shareholders, the total dividend for fiscal 2016 would aggregate ₹ 43.5 per equity share (for fiscal 2015 ₹ 79 per equity share, including a special dividend of ₹ 40).

DISCUSSIONS ON FINANCIAL PERFORMANCE - UNCONSOLIDATED

The following table gives an overview of the financial results of TCS Limited:

	Fiscal 2016		% growth		Fiscal 2015 - ex rewards		Fiscal 2015 - as reported	
	₹ crores	% of revenue	Compared to fiscal 2015- ex rewards	Compared to fiscal 2015- as reported	₹ crores	% of revenue	₹ crores	% of revenue
Revenue from operations	85,863.85	100.00	16.70	16.70	73,578.06	100.00	73,578.06	100.00
Expenses:								
Employee benefit expenses	30,068.19	35.02	20.07	9.86	25,041.90	34.03	27,368.32	37.19
Overseas business expenses (employee allowances paid overseas)	12,459.08	14.51	14.44	14.44	10,886.90	14.80	10,886.90	14.80
Services rendered by business associates (BA) and others	6,320.53	7.36	25.24	25.24	5,046.61	6.86	5,046.61	6.86
Total employee and BA related expenses	48,847.80	56.89	19.21	12.81	40,975.41	55.69	43,301.83	58.85
Overseas business expenses (other than employee allowance paid overseas)	947.07	1.10	1.76	1.76	930.73	1.27	930.73	1.27
Operation and other expenses	9,119.77	10.62	9.65	9.65	8,317.30	11.30	8,317.30	11.30
Total expenses	58,914.64	68.61	17.31	12.11	50,223.44	68.26	52,549.86	71.42
Earnings before interest, tax, depreciation and amortisation (EBITDA)	26,949.21	31.39	15.39	28.16	23,354.62	31.74	21,028.20	28.58
Other income (net) excluding dividend income	3,035.66	3.54	(3.06)	(3.06)	3,131.60	4.26	3,131.60	4.26
Dividend income	704.54	0.82	(47.23)	(47.23)	1,335.13	1.81	1,335.13	1.81
Finance costs	13.58	0.02	(82.93)	(82.93)	79.57	0.11	79.57	0.11
Depreciation and amortisation expense	1,559.19	1.82	11.87	11.87	1,393.77	1.89	1,393.77	1.89
Profit before exceptional item and tax	29,116.64	33.91	10.51	21.21	26,348.01	35.81	24,021.59	32.65
Exceptional item	-	-	-	-	528.38	0.72	528.38	0.72
Profit before tax (PBT)	29,116.64	33.91	8.34	18.60	26,876.39	36.53	24,549.97	33.37
Tax expense	6,233.94	7.26	7.76	17.78	5,784.96	7.86	5,293.01	7.20
Profit for the year (PAT)	22,882.70	26.65	8.49	18.83	21,091.43	28.67	19,256.96	26.17

Revenue from operations

Revenue from operations increased from ₹ 73,578.06 crores in fiscal 2015 to ₹ 85,863.85 crores in fiscal 2016, registering a growth of 16.70% (13.77% in fiscal 2015). The business growth in fiscal 2016 was at 13.04% (14.44% in fiscal 2015). The increase in revenue growth in fiscal 2016 is mainly on account of exchange rate fluctuations (3.65% in fiscal 2016; negative 0.67% in fiscal 2015).

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Expenses

Employee and BA related expenses

	Fiscal 2016		Fiscal 2015 - ex rewards		% growth	Fiscal 2015 - as reported	
	₹ crores	% of revenue	₹ crores	% of revenue		₹ crores	% of revenue
Employee benefit expenses	30,068.19	35.02	25,041.90	34.03	20.07	27,368.32	37.19
Overseas business expenses (employee allowances paid overseas)	12,459.08	14.51	10,886.90	14.80	14.44	10,886.90	14.80
Services rendered by BA and others	6,320.53	7.36	5,046.61	6.86	25.24	5,046.61	6.86
Total	48,847.80	56.89	40,975.41	55.69	19.21	43,301.83	58.85

Total employee and BA related expenses have increased by 19.21% from ₹ 40,975.41 crores in fiscal 2015 to ₹ 48,847.80 crores in fiscal 2016. These costs as a percentage of revenue were 56.89% in fiscal 2016 (55.69% in fiscal 2015).

Overseas business expenses (other than employee allowances paid overseas)

Overseas business expenses (other than employee allowances paid overseas) went up marginally from ₹ 930.73 crores (1.27% of revenue) in fiscal 2015 to ₹ 947.07 crores (1.10% of revenue) in fiscal 2016.

Operation and other expenses

	Fiscal 2016		Fiscal 2015	
	₹ crores	% of revenue	₹ crores	% of revenue
Software, hardware and material costs	3,107.14	3.62	2,932.16	3.99
Communication	688.97	0.80	641.50	0.87
Travelling and conveyance	1,094.73	1.27	812.94	1.10
Rent	1,058.65	1.23	1,072.70	1.46
Legal and professional fees	328.42	0.38	333.54	0.45
Repairs and maintenance	633.03	0.74	491.18	0.66
Electricity	510.83	0.59	493.36	0.67
Recruitment and training	270.80	0.32	235.10	0.33
Others	1,427.20	1.67	1,304.82	1.77
Total	9,119.77	10.62	8,317.30	11.30

Operation and other expenses as percentage of revenue decreased marginally from 11.30% in fiscal 2015 to 10.62% in fiscal 2016.

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

In fiscal 2016 EBITDA was ₹ 26,949.21 (31.39% of revenue) as compared to ₹ 23,354.62 (31.74% of revenue) in fiscal 2015. There is a marginal decrease in the EBITDA of 0.35% as a percentage of revenue during fiscal 2016.

Other income (net)

	Fiscal 2016		Fiscal 2015	
	₹ crores	% of revenue	₹ crores	% of revenue
Dividend income	704.54	0.82	1,335.13	1.81
Interest income	1,679.48	1.96	1,554.93	2.11
Exchange gain (net)	798.26	0.93	1,278.63	1.74
Profit on redemption of mutual funds and sale of other investments (net)	459.25	0.53	225.99	0.31
Others (net)	98.67	0.12	72.05	0.10
Total	3,740.20	4.36	4,466.73	6.07

The decrease in other income of 1.71% as a percentage of revenue, is primarily attributable to

- decrease in dividend received from subsidiaries 0.99%
- decrease in exchange gain (net) 0.81%.

Depreciation and amortisation

Depreciation and amortisation increased from ₹ 1,393.77 crores in fiscal 2015 (1.89% of revenue) to ₹ 1,559.19 crores in fiscal 2016 (1.82% of revenue). The increase was spread across all asset groups, mainly attributable to freehold buildings, electrical installation, computers and leasehold improvements.

Exceptional item

In fiscal 2016 there has been no item which can be termed as "exceptional". In fiscal 2015, there was a one-time credit item of ₹ 528.38 crores shown under the head 'Exceptional item'. This was the net impact of change in accounting policy for depreciation necessitated due to implementation of the Companies Act, 2013.

Profit before tax (PBT)

In fiscal 2016, PBT was ₹ 29,116.64 crores (₹ 26,876.39 crores, ex reward in fiscal 2015). As a percentage of revenue, PBT decreased from 36.53% in fiscal 2015 to

33.91% in fiscal 2016. The decrease of 2.62% is mainly due to:

- decrease in dividend income 0.99%
- decrease in exchange gain (net) 0.81%
- impact of exceptional item relating to change in accounting policy 0.72%.

Tax expense

Tax expense increased to ₹ 6,233.94 crores in fiscal 2016 from ₹ 5,784.96 crores in fiscal 2015. As a percentage of revenue, it has decreased from 7.86% in fiscal 2015 to 7.26% in fiscal 2016. The effective tax rate has decreased marginally from 21.52% in fiscal 2015 to 21.41% in fiscal 2016.

Profit for the year (PAT)

The net profit in fiscal 2016 was ₹ 22,882.70 crores (26.65% of revenue) as compared to ₹ 21,091.43 crores in fiscal 2015, ex reward (28.67% of revenue).

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FINANCIAL POSITION – UNCONSOLIDATED

Share capital

	(₹ crores)	
	As at March 31, 2016	As at March 31, 2015
Authorised		
460.05 crores equity shares of ₹ 1 each	460.05	420.05
105.03 crores redeemable preference shares of ₹ 1 each	105.03	105.03
Total	565.08	525.08
Issued, subscribed and fully paid-up		
195.87 crores equity shares of ₹ 1 each	195.87	195.87
1.17 crores equity shares issued during the period	1.17	-
Total	197.04	195.87

In fiscal 2016, the authorised equity share capital was increased to 460.05 crores equity shares of ₹ 1 each, pursuant to the amalgamation of its subsidiaries – WTI Advanced Technology Limited and CMC Limited.

1.17 crores equity shares were issued to the shareholders of CMC Limited in terms of the scheme of arrangement sanctioned by the High Courts of Judicature at Bombay and Hyderabad (refer note 28 to the financial statements for details).

Reserves and surplus

General reserve as at March 31, 2015 was ₹ 7,052.69 crores. On transfer of ₹ 2,288.27 crores from the profit and loss account and on reduction of ₹ 222.70 crores on account of merger of CMC Limited into TCSL, the general reserve as at March 31, 2016 increased to ₹ 9,118.26 crores.

Foreign currency translation reserve was ₹ 227.20 crores as at March 31, 2016 (₹ 218.46 crores as at March 31, 2015).

The closing balance in hedging reserve account, arising out of cash flow hedges as at March 31, 2016 showed an accumulated gain of ₹ 56.77 crores (₹ 150.75 crores as at March 31, 2015). Note 38 to the unconsolidated financial statements gives details of movements in the hedging reserve account.

Balance in the statement of profit and loss as at March 31, 2016 was ₹ 47,247.98 crores (₹ 35,779.06 crores as at March 31, 2015) after appropriation towards dividend on equity shares, tax on dividend, write back of tax on dividend of prior year and transfer to general reserve.

Reserves and surplus as at March 31, 2016 were ₹ 58,669.82 crores (₹ 45,220.57 crores, as at March 31, 2015), an increase of 29.74%.

Short-term and long-term borrowings

The decrease in short term borrowings (₹ 112.96 crores as at March 31, 2016; ₹ 185.56 crores as at March 31, 2015) was mainly attributable to the reduction of ₹ 184.40 crores in unsecured bank overdraft, offset by increase in secured bank overdraft of ₹ 111.80 crores required for management of working capital. The secured loans are secured against book debts.

Long-term borrowings as at March 31, 2016 aggregated ₹ 50.06 crores (₹ 64.71 crores as at March 31, 2015) primarily due to finance lease obligations of ₹ 49.77 crores (₹ 64.13 crores as at March 31, 2015) which are secured against fixed assets. For details refer note 33 to the unconsolidated financial statements 'obligations towards finance leases'.

Deferred tax liability (net) and deferred tax assets (net)

As stated in the accounting policies, deferred tax assets and liabilities are offset, tax jurisdiction-wise. Note 6 to the unconsolidated financial statements brings out details of component-wise deferred tax balances where the net values result into liabilities or assets, jurisdiction-wise.

Deferred tax liability or asset is recognised on timing difference being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Such timing differences resulting in deferred tax liability or asset usually arise from items like branch profit tax, depreciation and employee benefit expenses.

The net deferred tax liability was ₹ 365.52 crores as at March 31, 2016 (₹ 271.46 crores as at March 31, 2015).

As at March 31, 2016, the net deferred tax asset had a balance of ₹ 465.83 crores (₹ 303.47 crores as at March 31, 2015). TCSL assesses the likelihood of deferred tax assets getting recovered from future taxable income.

Other current liabilities and long-term liabilities

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Other current liabilities		Other long-term liabilities		Total other liabilities	
Income received in advance	1,067.72	854.67	-	-	1,067.72	854.67
Advance received from customers	39.21	26.18	-	-	39.21	26.18
Other payables and liabilities	2,896.91	1,610.62	591.15	722.15	3,488.06	2,332.77
Total	4,003.84	2,491.47	591.15	722.15	4,594.99	3,213.62

Other current and long-term liabilities increased to ₹ 4,594.99 crores as at March 31, 2016 (₹ 3,213.62 crores as at March 31, 2015). The increase was mainly on account of:

- liability arising in the current year for purchase of government securities amounting to ₹ 804.86 crores
- increase in income received in advance ₹ 213.05 crores
- increase in statutory current liabilities such as value added tax (VAT), tax deducted at source (TDS), etc. ₹ 172.60 crores
- increase in fair value of foreign exchange forward and currency option contracts secured against trade receivables ₹ 132.68 crores
- increase in liabilities for cost related to customer contracts ₹ 119.96 crores.

Short-term and long-term provisions

Provisions aggregated ₹ 8,308.25 crores as at March 31, 2016 (₹ 7,146.26 crores as at March 31, 2015). The composition of provisions is given in the table below:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Short-term provisions		Long-term provisions		Total provisions	
Provision for employee benefits	1,164.05	951.52	48.18	32.43	1,212.23	983.95
Proposed final dividend on equity shares	5,320.16	4,700.95	-	-	5,320.16	4,700.95
Tax on dividend	1,083.06	939.91	-	-	1,083.06	939.91
Current income taxes	537.49	323.93	-	-	537.49	323.93
Provision for foreseeable loss on a long-term contract	114.83	103.04	40.48	94.48	155.31	197.52
Total	8,219.59	7,019.35	88.66	126.91	8,308.25	7,146.26

The increase of ₹ 1,161.99 crores in provisions was mainly attributable to:

- increase in proposed final dividend on equity shares ₹ 619.21 crores
- increase in provision for employee benefits ₹ 228.28 crores
- increase in current income taxes (net) ₹ 213.56 crores
- increase in tax on dividend ₹ 143.15 crores
- offset by decrease in provision for foreseeable loss on a long-term contract ₹ 42.21 crores.

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Fixed assets

Significant additions to gross block in fiscal 2016 were:

- land and buildings ₹ 1,660.07 crores (₹ 1,243.63 crores in fiscal 2015)
- computer equipment ₹ 637.50 crores (₹ 711.64 crores in fiscal 2015)
- furniture & fixtures and electrical installations ₹ 508.38 crores (₹ 442.23 crores in fiscal 2015)

- office equipment ₹ 324.94 crores (₹ 209.69 crores in fiscal 2015)
- leasehold improvements ₹ 118.22 crores (₹ 207.97 crores in fiscal 2015).

TCSL entered into contractual commitments with vendors who are executing various infrastructure projects. The estimated amounts of such contracts remaining to be executed on capital account and not provided for (net of advances), were ₹ 1,446.17 crores as at March 31, 2016 (₹ 1,844.08 crores as at March 31, 2015).

Current investments and non-current investments

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Current investments		Non-current investments		Total	
Investments in fully paid-up equity shares of subsidiaries	-	-	2,123.73	2,495.44	2,123.73	2,495.44
Investments in fully paid-up preference shares of subsidiaries	-	-	-	101.75	-	101.75
Investments in mutual funds, government securities and others	21,847.39	747.47	104.55	54.04	21,951.94	801.51
Total	21,847.39	747.47	2,228.28	2,651.23	24,075.67	3,398.70

Increase in total investments in fiscal 2016 was mainly on account of investment in government securities in current year amounting to ₹ 20,171.95 crores.

Trade receivables (AR) and unbilled revenue (UBR)

As a percentage of revenue, AR were at 22.20% as at March 31, 2016 compared to 23.15% as at March 31, 2015.

UBR as percentage of revenue declined to 3.16% in fiscal 2016 from 3.32% in fiscal 2015.

The Company monitors AR and UBR net of unearned revenues (UER) separately and collectively. The close monitoring has ensured that the AR and UBR net of UER as a percentage of revenue has declined from 26.43% in fiscal 2015 to 25.31% in fiscal 2016.

Short-term and long-term loans and advances

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Short-term loans and advances		Long-term loans and advances		Total loans and advances	
Capital advances	-	-	186.46	201.90	186.46	201.90
Security deposits	117.63	104.17	603.13	538.00	720.76	642.17
Advance tax (including refunds receivable (net))	-	-	4,229.86	3,884.22	4,229.86	3,884.22
MAT credit entitlement	-	-	1,960.31	1,801.78	1,960.31	1,801.78
Other loans and advances	4,558.15	3,248.01	2,771.16	2,026.65	7,329.31	5,274.66
Total	4,675.78	3,352.18	9,750.92	8,452.55	14,426.70	11,804.73

Loans and advances as at March 31, 2016 increased by ₹ 2,621.97 crores. The increase was primarily attributable to:

- increase in inter-corporate deposits ₹ 1,362.00 crores placed with non-related corporate which have high credit ratings
- increase in loans and advances to employees ₹ 677.48 crores mainly to assist those affected by Chennai floods
- increase in advance tax ₹ 345.64 crores, mainly driven by payments made against demands from tax authorities, some of which have been contested by TCSL
- increase in MAT credit entitlement ₹ 158.53 crores
- increase in advance to suppliers ₹ 151.62 crores
- offset by decrease in prepaid expenses ₹ 193.54 crores.

Other current and non-current assets

(₹ crores)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Other current assets		Other non-current assets		Total	
Interest receivable	186.96	339.53	72.52	24.33	259.48	363.86
Long - term bank deposits	-	-	415.00	500.00	415.00	500.00
Others	-	-	85.00	0.35	85.00	0.35
Total	186.96	339.53	572.52	524.68	759.48	864.21

Other current and non-current assets as at March 31, 2016 were lower by ₹ 104.73 crores primarily on account of reduction in interest receivable.

Cash & bank balances

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
Short - term bank deposits	-	16,002.75
Cash and cash equivalents and earmarked balances with banks	4,806.37	499.75
Total	4,806.37	16,502.50

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CASH FLOW - UNCONSOLIDATED

TCSL's growth has been financed largely by cash generated from operations. It has sufficient cash generated from operations for meeting its working capital requirements as well as the requirements for capital expenditure.

The one-time employee reward, provided on accrual basis in the financial statements for fiscal 2015 was paid in fiscal 2016. In the following discussions, the impact of the one-time employee reward on cash flow from operating activities has been excluded for like to like comparison.

Banking and financing arrangements

As at March 31, 2016, TCSL had available line of credit with multiple banks aggregating ₹ 6,059.00 crores, interchangeable between fund-based and non-fund based limits (₹ 5,759.00 crores as at March 31, 2015). As at March 31, 2016 TCSL had utilised ₹ 1,756.38 crores of these limits (₹ 1,475.31 crores utilised as at March 31, 2015).

Summary of cash flow statement is given below

(₹ crores)

	Fiscal 2016 - excluding payment of one-time employee reward	Fiscal 2015 as reported	Fiscal 2016 as reported
Net cash provided by / (used in) :			
Operating activities	20,270.73	16,319.89	17,996.31
Investing activities	(4,549.32)	611.01	(4,549.32)
Financing activities	(9,565.03)	(16,914.20)	(9,565.03)
Adjustment on account of merger	31.61	1.97	31.61
Exchange difference on translation of foreign currency cash and cash equivalents	40.12	(27.26)	40.12
Net increase / (decrease) in cash and cash equivalents after adjustments	6,228.11	(8.59)	3,953.69

Cash flows from operating activities

(₹ crores)

	Fiscal 2016 - excluding payment of one-time employee reward	Fiscal 2015 - excluding provision of one-time employee reward	Fiscal 2016 as reported	Fiscal 2015 as reported
Operating profit before working capital changes	27,786.15	24,960.00	27,786.15	22,633.58
Effect of working capital changes	(998.73)	(2,319.54)	(3,325.15)	6.88
Taxes paid	(6,516.69)	(6,320.57)	(6,464.69)	(6,320.57)
Net cash provided by operating activities	20,270.73	16,319.89	17,996.31	16,319.89

In fiscal 2016, TCSL generated net cash of ₹ 19,830.78 crores (₹ 16,319.89 crores in fiscal 2015) from operating activities. This is attributable to:

- increase in operating profit before working capital changes to ₹ 27,786.15 crores in fiscal 2016 (₹ 24,960.00 crores in fiscal 2015)
- decrease in incremental working capital requirement to ₹ 998.73 crores in fiscal 2016 (2,319.54 crores in fiscal 2015)
- increase in taxes paid to ₹ 6,516.69 crores in fiscal 2016 (₹ 6,320.57 crores in fiscal 2015).

Cash flows from investing activities

(₹ crores)

	Fiscal 2016	Fiscal 2015
Fixed assets (net)	(1,777.15)	(2,564.49)
Trade investments (net)	113.72	192.53
Mutual funds, government securities & other investments (net)	(19,179.71)	2,451.06
Certificate of deposit placed	(490.26)	-
Inter-corporate deposits (ICD) (net)	(1,362.00)	103.00
Deposit with banks (net)	15,651.69	(2,897.58)
Dividends received from subsidiaries (including exchange gain)	696.05	1,354.31
Interest received	1,782.83	1,934.38
Others	15.51	37.80
Net cash (used in) / provided by investing activities	(4,549.32)	611.01

In fiscal 2016, cash used in investing activities was ₹ 4,549.32 crores (cash provided of ₹ 611.01 crores in fiscal 2015).

During fiscal 2016, cash used in investing activities was primarily attributable to:

- net purchase of mutual funds, government securities & other investments ₹ 19,179.71 crores in fiscal 2016 (net sale ₹ 2,451.06 crores in fiscal 2015), mainly of government securities.
- investment in fixed assets (net) ₹ 1,777.15 crores in fiscal 2016 (₹ 2,564.49 crores in fiscal 2015)
- ICD (net) placed ₹ 1,362.00 crores in fiscal 2016 (ICD (net) matured ₹ 103.00 crores in fiscal 2015)
- certificate of deposit placed in fiscal 2016 ₹ 490.26 crores.

Cash provided by investing activities was primarily attributable to:

- maturity of deposits with banks (net) ₹ 15,651.69 crores in fiscal 2016 (investment of ₹ 2,897.58 crores in fiscal 2015)
- interest received from investments in fixed deposits, inter-corporate deposits and bonds & debentures ₹ 1,782.83 crores in fiscal 2016 (₹ 1,934.38 crores in fiscal 2015)
- dividends received from subsidiaries ₹ 696.05 crores in fiscal 2016 (₹ 1,354.31 crores in fiscal 2015).

Cash flows from financing activities

(₹ crores)

	Fiscal 2016	Fiscal 2015
Repayment of long term borrowings	(0.47)	(0.47)
Short term borrowings (net)	(72.60)	185.56
Dividend paid including dividend tax	(9,479.19)	(17,020.46)
Interest paid	(12.77)	(78.83)
Net cash used in financing activities	(9,565.03)	(16,914.20)

The significant items of cash used in financing activities in fiscal 2016 were payment of dividend ₹ 9,479.19 crores including dividend tax (₹ 17,020.46 crores in fiscal 2015) and repayment of short term borrowings (net) ₹ 72.60 crores in fiscal 2016 (proceed of ₹ 185.56 crores in fiscal 2015).

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

TCS's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of 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.

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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, 2016. The assessment involved self review, peer review and external audit.

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 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 towards 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 specialised third party consultants and professional for business specific compliances such as quality management, service management, information security, etc.

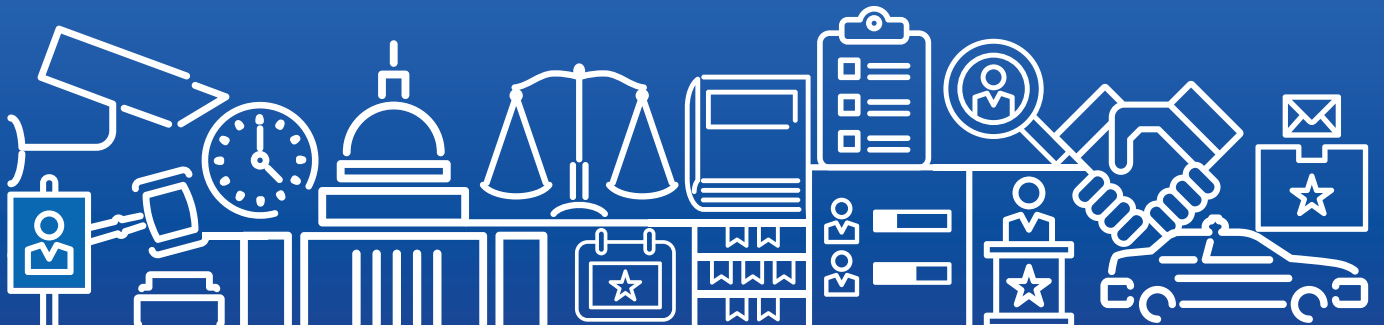
The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets TCS' statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), our audit committee has concluded that, as of March 31, 2016, our internal financial controls were adequate and operating effectively.

CAUTIONARY STATEMENT

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

Corporate Governance Report



Corporate Governance Report for the year 2015-16

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, which was revised during the year to align with changing cultural and regulatory norms across the multiple jurisdictions in which the Company conducts its business. 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 ("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.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

II. Board of Directors

- i. As on March 31, 2016, the Company has eleven Directors. Of the eleven Directors, nine (i.e. 81.82%) are Non-Executive Directors and six (i.e. 54.55%) are Independent Directors. 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, 2016 have been made by the Directors. None of the Directors are related to each other.
- 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 as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- iv. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2016 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.

Name of the Director	Category	Number of board meetings during the year 2015-16		Whether attended last AGM held on June 30, 2015	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Cyrus Mistry (Chairman) DIN 00010178	Non-Independent, Non-Executive	8	8	Yes	9	-	-	-
Mr. N. Chandrasekaran (Chief Executive Officer and Managing Director) DIN 00121863	Non-Independent, Executive	8	8	Yes	-	-	-	-
Mr. Aman Mehta DIN 00009364	Independent, Non-Executive	8	8	Yes	-	5	2	3
Mr. V. Thyagarajan DIN 00017541	Independent, Non-Executive	8	8	Yes	-	-	-	-
Prof. Clayton M. Christensen DIN 00020111	Independent, Non-Executive	8	7	No	-	-	-	-
Dr. Ron Sommer DIN 00621387	Independent, Non-Executive	8	8	Yes	-	-	-	-
Dr. Vijay Kelkar DIN 00011991	Independent, Non-Executive	8	8	Yes	-	6	2	3
Mr. Ishaat Hussain DIN 00027891	Non-Independent, Non-Executive	8	7	Yes	4	5	3	3
Mr. O. P. Bhatt DIN 00548091	Independent, Non-Executive	8	8	Yes	-	2	1	2
Mr. Phiroz Vandrevalla DIN 01778976	Non-Independent, Non-Executive	8	8	Yes	-	2	1	-
Ms. Aarthi Subramanian DIN 07121802	Non-Independent, Executive	8	8	Yes	-	-	-	-

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

- v. Eight 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 16, 2015; June 30, 2015; July 9, 2015; September 3, 2015; October 13, 2015; January 11, 2016; January 12, 2016 and March 10, 2016.
The necessary quorum was present for all the meetings.
- vi. During the year 2015-16, information as mentioned in Schedule II Part A 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.
- viii. During the year, two meetings of the Independent Directors were held on October 13, 2015 and March 11, 2016. The Independent Directors, *inter-alia*, reviewed the performance of non-independent directors, Chairman of the Company 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 familiarisation programme of the Independent Directors are available on the website of the Company (<http://www.tcs.com/investors>).

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- xi. Details of equity shares of the Company held by the Directors as on March 31, 2016 are given below:

Name	Category	Number of equity shares
Mr. Cyrus Mistry	Non-Independent, Non-Executive	41,63,526
Mr. N. Chandrasekaran	Non-Independent, Executive	88,528
Mr. Ishaat Hussain	Non-Independent, Non-Executive	1,740
Ms. Aarthi Subramanian	Non-Independent, Executive	2,800

The Company has not issued any convertible instruments.

III. Committees of the Board

A. Audit committee

- i. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.
- ii. The terms of reference of the audit committee are broadly as under:
 - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
 - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the Company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Examination of the financial statement and the auditors' report thereon;

- Valuation of undertakings or assets of the company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
 - The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
 - The audit committee shall review the information required as per SEBI Listing Regulations.
- iii. The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. In terms of the Insider Trading Code adopted by the Company in FY 2015-16, the Committee considers the following matters:
- To approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code.
 - To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
 - To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.
- v. Mr. Suprakash Mukhopadhyay, Vice President and Company Secretary was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.
- vi. Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.
- vii. The previous Annual General Meeting ("AGM") of the Company was held on June 30, 2015 and was attended by Mr. Aman Mehta, Chairman of the audit committee.
- viii. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2015 -16	
		Held	Attended
Mr. Aman Mehta (Chairman)	Independent, Non-Executive	5	5
Mr. V. Thyagarajan	Independent, Non-Executive	5	5
Dr. Ron Sommer	Independent, Non-Executive	5	5
Dr. Vijay Kelkar	Independent, Non-Executive	5	5
Mr. Ishaat Hussain	Non-Independent, Non-Executive	5	4
Mr. O. P. Bhatt	Independent, Non-Executive	5	5

- ix. Five audit committee 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 are as follows:

April 16, 2015; July 9, 2015; September 3, 2015; October 13, 2015 and January 12, 2016

The necessary quorum was present for all the meetings.

B. Nomination and remuneration committee

- i. The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.
- ii. The broad terms of reference of the nomination and remuneration committee are as under:
 - Recommend to the Board the setup and composition of the Board and its committees, including the *"formulation of the criteria for determining qualifications, positive attributes and independence of a director."* The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
 - Recommend to the Board the appointment or reappointment of directors.
 - Devise a policy on Board diversity.
 - Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).
 - 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. This shall include *"Formulation of criteria for evaluation of Independent Directors and the Board"*. Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
 - Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees.
 - On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
 - Oversee familiarisation programmes for directors.
 - 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 (specifically for the Board, Key Managerial Personnel and executive team).
 - Provide guidelines for remuneration of directors on material subsidiaries.
 - Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies.
 - Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- iii. The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2015 -16	
		Held	Attended
Mr. Aman Mehta (Chairman)	Independent, Non-Executive	3	3
Mr. V. Thyagarajan	Independent, Non-Executive	3	3
Mr. Cyrus Mistry	Non-Independent, Non-Executive	3	3
Mr. Ishaat Hussain	Non-Independent, Non-Executive	3	3

Three nomination and remuneration committee meetings were held. The dates on which the said meetings were held are as follows:

April 16, 2015; January 11, 2016 and March 11, 2016

iv. The Company does not have any Employee Stock Option Scheme.

v. 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 may be 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.

vi. 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 2015-16 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 on June 27, 2014 approved of 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.

vii. Details of the Remuneration for the year ended March 31, 2016:

a. Non-Executive Directors:

(₹ Lakh)

Name	Commission	Sitting Fees
Mr. Cyrus Mistry	-	4.20
Mr. Aman Mehta	230.00	5.40
Mr. V. Thyagarajan	160.00	6.60
Prof. Clayton M. Christensen	125.00	2.40
Dr. Ron Sommer	170.00	4.80
Dr. Vijay Kelkar	135.00	4.80
Mr. Ishaat Hussain	175.00	5.40
Mr. O. P. Bhatt	140.00	7.80
Mr. Phiroz Vandrevala	65.00	2.40

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b. Managing Director and Executive Director

Name of Director and period of appointment	Salary (₹ Lakh)	Benefits Perquisites and Allowances (₹ Lakh)	Commission (₹ Lakh)	ESPS
Mr. N. Chandrasekaran Chief Executive Officer and Managing Director (w.e.f. October 6, 2014 for a period of 5 years)	228.60	437.33	1,900.00	nil
Ms. Aarthi Subramanian Executive Director (w.e.f. March 12, 2015 for a period of 3 years)	58.14	117.02	100.00	nil

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 and the one-time bonus paid to eligible employees, as the same is of a non-recurring nature.

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.

C. Stakeholders' relationship committee

- The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.
- The broad terms of reference of the stakeholders' relationship committee are as under:
 - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
 - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- Two meetings of the stakeholders' relationship committee were held during the year on September 3, 2015 and March 11, 2016.
- The composition of the stakeholders' relationship committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2015 -16	
		Held	Attended
Mr. V. Thyagarajan (Chairman)	Independent, Non-Executive	2	2
Mr. O. P. Bhatt	Independent, Non-Executive	2	2
Mr. N. Chandrasekaran	Non-Independent, Executive	2	2

- 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.

vi. Name, designation and address of Compliance Officer:

Mr. Suprakash Mukhopadhyay
Vice President 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 6630 3672

vii. Details of investor complaints received and redressed during the year 2015- 16 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
3	124	126	1*

* As required by Securities and Exchange Board of India ("SEBI"), reminder letter was sent to the complainant on April 1, 2016 requesting the complainant to complete the formalities to enable the Company to transfer the shares.

D. Other Committees

i. Ethics and compliance committee:

The Company has an ethics and compliance committee of Directors to consider matters relating to the Company with respect to the Company's Code of Conduct ("CoC") and such matters as may be referred by the Board from time to time. During the year, the Company adopted Insider Trading Code, pursuant to which the matters relating to the Insider Trading Code are being considered by the audit committee.

The Company has also formulated an Anti Bribery and Anti Corruption Policy and Gifts Policy which is also monitored by the ethics and compliance committee.

Monthly reports are sent to the members of the ethics and compliance committee on matters relating to the CoC.

Two meetings of the ethics and compliance committee were held during the year on September 3, 2015 and March 11, 2016.

The composition of the ethics and compliance committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2015 -16	
		Held	Attended
Mr. V. Thyagarajan (Chairman)	Independent, Non-Executive	2	2
Mr. N. Chandrasekaran	Non-Independent, Executive	2	2
Mr. O. P. Bhatt	Independent, Non-Executive	2	2

ii. Bank account committee:

The Company has a bank account committee of directors comprising of Mr. Aman Mehta (Independent, Non-Executive) and Mr. N. Chandrasekaran (Non-Independent, Executive). The bank account committee is responsible for approval of the opening and closing of bank accounts of the Company and to authorise persons to operate the bank accounts of the Company.

iii. Executive committee:

The Company has an executive committee of directors comprising of Mr. Cyrus Mistry (Non-Independent, Non-Executive) as the Chairman, Prof. Clayton M. Christensen (Independent, Non-Executive), Dr. Ron Sommer (Independent, Non-Executive) and Mr. N. Chandrasekaran (Non-Independent, Executive).

The executive committee's role covers a detailed review of the following matters before these are presented to the Board:

- Business and strategy review;
- Long-term financial projections and cash flows;
- Capital and revenue budgets and capital expenditure programmes;
- Acquisitions, divestments and business restructuring proposals;
- Senior management succession planning;
- Any other item as may be decided by the board.

The above matters were discussed in various board meetings held during the year with the presence of the executive committee members with intent to avail expertise of all the board members.

 iv. Software Technology Parks of India (STPI) / Special Economic Zone (SEZ) committee:

The Company has a STPI / SEZ committee of directors comprising of Mr. V. Thyagarajan (Independent, Non-Executive) and Mr. N. Chandrasekaran (Non-Independent, Executive). The STPI / SEZ Committee is responsible for approval, from time to time, of 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 by them and to also approve of other STPI / SEZ / other scheme(s) related matters.

 v. Risk management committee:

The risk management committee of the Company is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.

The board 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. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Four meetings of the risk management committee were held during the year on April 29, 2015, July 8, 2015, October 12, 2015 and February 8, 2016. The composition of the risk management committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2015 -16	
		Held	Attended
Mr. Ishaat Hussain	Non-Independent, Non-Executive	4	4
Mr. N. Chandrasekaran	Non-Independent, Executive	4	4
Mr. O. P. Bhatt	Independent, Non-Executive	4	4
Ms. Aarthi Subramanian*	Non-Independent, Executive	4	4
Mr. Rajesh Gopinathan	Chief Financial Officer	4	4

*Appointed as member of committee w.e.f April 16, 2015

 vi. Health, safety and sustainability committee:

The Health, safety and sustainability committee of directors is responsible for framing and implementation of broad guidelines / policies with regard to the health, safety and sustainability activities of the Company, review the policies, processes and systems periodically and recommend measures for improvements from time to time.

One meeting of the health, safety and sustainability committee was held during the year on September 3, 2015

The composition of the health, safety and sustainability committee and details of the meeting attended by its members are given below:

Name	Category	Number of meetings during the financial year 2015 -16	
		Held	Attended
Dr. Vijay Kelkar (Chairman)	Independent, Non-Executive	1	1
Dr. Ron Sommer	Independent, Non-Executive	1	1
Mr. N. Chandrasekaran	Non-Independent, Executive	1	1

vii. Corporate social responsibility ("CSR") committee

CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Act. The broad terms of reference CSR committee is as follows:

- 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;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time;

Three meetings of the CSR committee were held during the year on April 7, 2015, January 11, 2016 and March 11, 2016

The composition of the CSR Committee and details of the meeting attended by its members are given below:

Name	Category	Number of meetings during the financial year 2015 -16	
		Held	Attended
Mr. Cyrus Mistry (Chairman)	Non-Independent, Non-Executive	3	3
Mr. O. P. Bhatt	Independent, Non-Executive	3	3
Mr. N. Chandrasekaran	Non-Independent, Executive	3	3

IV. General Body Meetings

i. General Meeting

a. Annual General Meeting ("AGM"):

Financial Year	Date	Time	Venue
2012-13	June 28, 2013	3.30 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai – 400 020
2013-14	June 27, 2014		
2014-15	June 30, 2015		

- b. A court convened meeting of the equity shareholders of the Company was held on April 28, 2015 at 10:00 a.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai - 400020 in terms of Order dated March 13, 2015 of the Hon'ble High Court of Judicature at Bombay, for obtaining the requisite approval of the shareholders of the Company for the Scheme

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of Amalgamation under Section 391-394 of the Companies Act, 1956 between CMC Limited and Tata Consultancy Services Limited and their respective shareholders.

c. Special Resolution:

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 under review, no special resolution has been passed through the exercise of postal ballot.

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 17, 2016.

V. Other disclosures

i. Related party transactions

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link-

http://www.tcs.com/investors/corp_governance/Documents/TCS_Related_Party_Transactions_Policy.pdf

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2013-14, 2014-15 and 2015-16 respectively: Nil

iii. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link-

http://www.tcs.com/investors/corp_governance/Documents/TCS-Global-Policy-Whistle-Blower-Ver-5.pdf

iv. The Company has also adopted Policy on Determination of Materiality for Disclosures (http://www.tcs.com/investors/corp_governance/Documents/TCS-Policy-Determination-of-Materiality-for-Disclosure.pdf), Policy on Archival of Documents (http://www.tcs.com/investors/corp_governance/Documents/TCS-Policy-Archival-of-Documents.pdf) and Policy for Preservation of Documents.

v. The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:

a. 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, 2015 was sent to every member in October 2015.

b. The auditors' report on statutory financial statements of the Company are unqualified.

c. Mr. Cyrus Mistry is the Chairman of the Company and Mr. N. Chandrasekaran is the Chief Executive Officer and Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.

d. Ernst & Young LLP, the internal auditors of the Company, make presentations to the audit committee on their reports.

vi. 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.

vii. Code of Conduct

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2016. The annual report of the Company contains a certificate by the CEO and Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

VI. Subsidiary companies

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.

The Company does not have any material non-listed Indian subsidiary companies.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link-

http://www.tcs.com/investors/corp_governance/Documents/TCS_Material_Subsiary_Policy.pdf

VII. 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.

VIII. General shareholder information

i. Annual General Meeting for FY 2015-2016

Date	: June 17, 2016
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 Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the AGM to be held on June 17, 2016.

ii. Financial Calendar:

Year ending	: March 31
AGM in	: June
Dividend Payment	: The final dividend, if declared, shall be paid / credited on or after June 24, 2016

iii. Date of Book Closure / Record Date : As mentioned in the Notice of the AGM to be held on June 17, 2016.

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

TATA CONSULTANCY SERVICES LIMITED

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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. Dividend Policy:

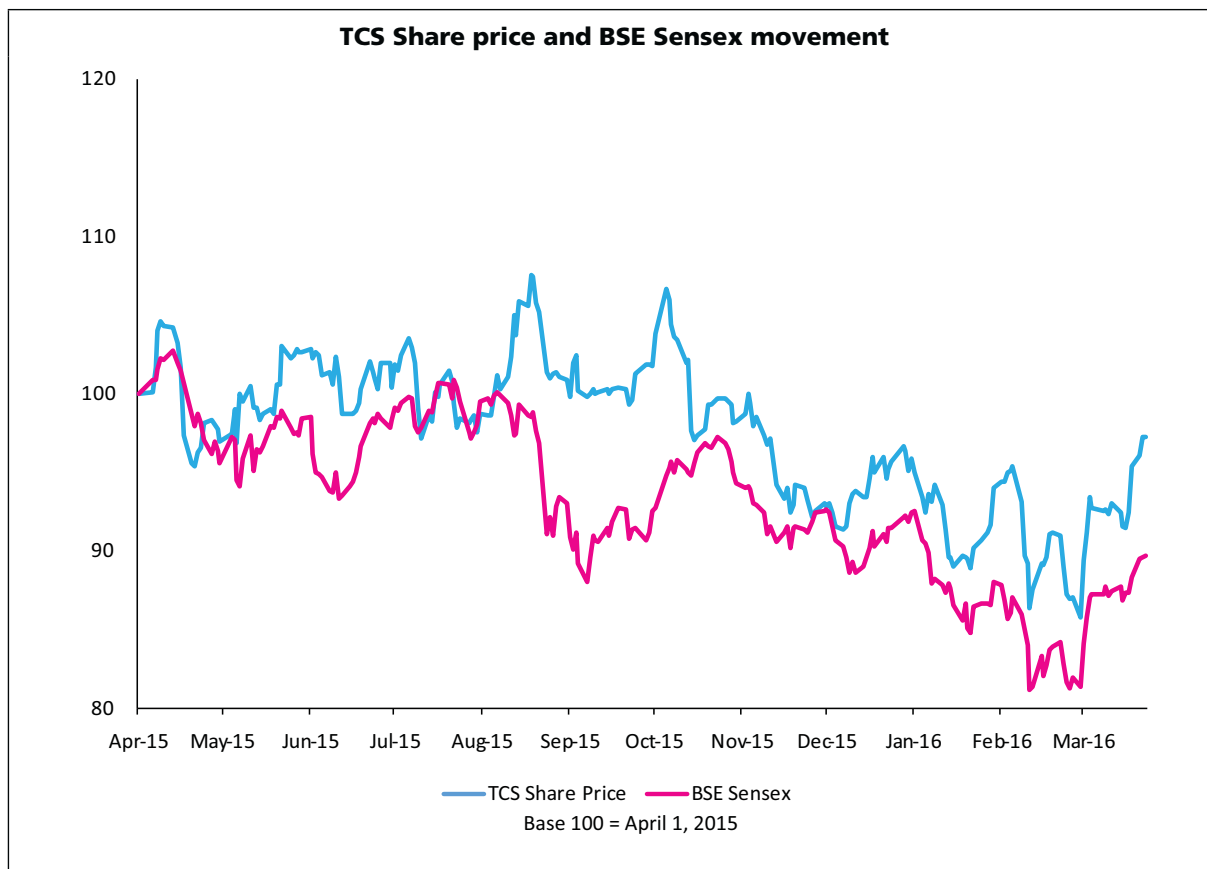
Dividends, other than interim dividend(s), are to be declared at the annual general meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to shareholders.

viii. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2015-16 on NSE and BSE:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr-2015	2,713.90	2,401.00	2,89,11,488	2,712.00	2,402.00	24,52,454
May-2015	2,648.60	2,453.70	2,44,05,295	2,646.95	2,456.60	27,34,559
Jun-2015	2,647.10	2,476.80	2,18,20,731	2,644.85	2,477.00	11,16,353
Jul-2015	2,646.90	2,455.00	2,37,28,747	2,646.65	2,455.00	14,63,153
Aug-2015	2,752.85	2,486.00	2,62,61,929	2,750.95	2,485.80	10,95,999
Sep-2015	2,643.70	2,490.00	2,21,55,319	2,641.80	2,493.90	9,88,569
Oct-2015	2,770.00	2,455.85	2,98,77,307	2,769.00	2,458.00	19,45,200
Nov-2015	2,547.80	2,332.50	1,63,54,418	2,551.00	2,333.00	12,40,003
Dec-2015	2,466.40	2,315.25	2,05,65,193	2,464.50	2,316.65	15,40,410
Jan-2016	2,439.00	2,243.00	2,36,87,321	2,436.35	2,243.75	16,09,051
Feb-2016	2,440.00	2,115.00	1,72,12,095	2,439.95	2,119.00	23,18,321
Mar-2016	2,550.00	2,162.00	2,14,98,837	2,534.00	2,163.50	10,87,795

ix. Performance of the share price of the Company in comparison to the BSE Sensex:



x. Registrars and Transfer Agents:

Name and Address	: TSR DARASHAW Limited ("TSRDL") 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

xi. 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)

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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:

- | | |
|---|---|
| <ul style="list-style-type: none">• 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
Tata Centre, 1st Floor
43, J. L. Nehru Road
Kolkata 700 071
Telephone: 91 33 2288 3087
Fax: 91 33 2288 3062
E-mail: tsrdlcl@tsrdarashaw.com | <ul style="list-style-type: none">• TSR DARASHAW Limited
'E' Road, Northern Town
Bistupur
Jamshedpur 831 001
Telephone: 91 657 2426616
Fax: 91 657 2426937
E-mail: tsrdljrs@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

xii. 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 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.

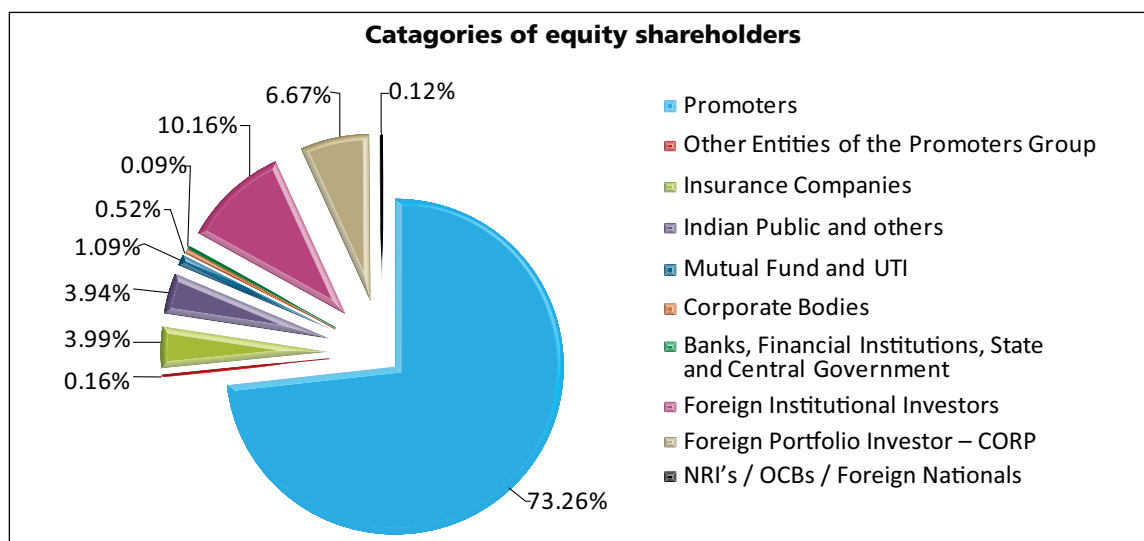
xiii. Shareholding as on March 31, 2016 :

a. Distribution of equity shareholding as on March 31, 2016 :

Number of shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1 - 100	1,96,27,837	1.00	5,44,880	83.80
101 - 500	1,85,85,473	0.94	86,087	13.24
501 - 1000	75,11,026	0.38	10,574	1.62
1001 - 5000	1,30,65,695	0.66	6,560	1.01
5001 - 10000	44,57,082	0.23	634	0.10
10001 - 20000	52,25,757	0.27	361	0.06
20001 - 30000	38,48,881	0.19	156	0.02
30001 - 40000	39,32,420	0.20	112	0.02
40001 - 50000	36,89,386	0.19	82	0.01
50001 - 100000	1,68,34,051	0.85	235	0.04
100001 - above	187,36,50,333	95.09	545	0.08
GRAND TOTAL	197,04,27,941	100	6,50,226	100

b. Categories of equity shareholders as on March 31, 2016 :

Category	Number of equity shares held	Percentage of holding
Promoters	144,34,51,698	73.26
Other Entities of the Promoters Group	32,81,212	0.16
Insurance Companies	7,86,04,759	3.99
Indian Public and others	7,75,55,288	3.94
Mutual Fund and UTI	2,15,69,947	1.09
Corporate Bodies	1,02,23,439	0.52
Banks, Financial Institutions, State and Central Government	17,09,799	0.09
Foreign Institutional Investors	20,02,46,839	10.16
Foreign Portfolio Investor – CORP	13,13,30,700	6.67
NRI's / OCBs / Foreign Nationals	24,54,260	0.12
GRAND TOTAL	197,04,27,941	100.00



c. Top ten equity shareholders of the Company as on March 31, 2016 :

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of holding
1	Tata Sons Limited	144,34,51,698	73.26
2	Life Insurance Corporation of India	5,85,21,537	2.97
3	Abu Dhabi Investment Authority	1,41,65,505	0.72
4	Government of Singapore	1,12,99,187	0.57
5	Oppenheimer Developing Markets Fund	83,09,112	0.42
6	National Westminster Bank Plc As Depository of First State Asia Pacific Leaders Fund a sub Fund of First State Investments ICVC	82,85,641	0.42
7	Europacific Growth Fund	79,66,000	0.40
8	Lazard Asset Management LLC A/C Lazard Emerging Markets Portfolio	76,82,828	0.39
9	Copthall Mauritius Investment Limited	73,61,719	0.37
10	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Fund	72,11,765	0.37

xiv. 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, 2016.

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

- xv. 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, 2016, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

- xvi. Commodity price risk or foreign exchange risk and hedging activities

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

- xvii. Equity shares in the suspense account:

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of 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, 2015	175	6,986
Shareholders who approached the Company for transfer of shares from suspense account during the year	1	60
Shareholders to whom shares were transferred from the suspense account during the year	(1)	(60)
Shareholders of CMC Limited to whom shares were allotted pursuant to the scheme of amalgamation	26	820
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016	200	7,746

The voting rights on the shares outstanding in the suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

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

Pursuant to Sections 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any, of the Act, 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 ("e-Serve") and CMC Limited ("CMC") which have merged with the Company, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2016, nor shall any payment be made in respect of such claims. Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2008-09 and onwards are requested to make their claims without any delay to TSRDL.

TATA CONSULTANCY SERVICES LIMITED

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- a) For shareholders of erstwhile e-Serve 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 CMC 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
2008-09	June 26, 2009	June 25, 2016
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, 2023

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

A separate communication has been sent in January 2016 to the shareholders of TCS who have not encashed their dividend warrants and which are not yet transferred to IEPF, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

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 2016-17:

Financial year	Date of Declaration	Last date for claiming unpaid dividend
2008-09	June 30, 2009	June 29, 2016
2009-10	July 17, 2009	July 16, 2016
	October 16, 2009	October 15, 2016
	January 15, 2010	January 14, 2017

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.

xix. Address for correspondence:

Tata Consultancy Services Limited

9thFloor, Nirmal Building

Nariman Point

Mumbai 400 021

Telephone: 91 22 6778 9356 / 91 22 6778 9595

Fax: 91 22 6630 3672

Designated e-mail address for Investor Services: investor.relations@tcs.com

Website: www.tcs.com

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, 2016, 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, 2016.

N. Chandrasekaran

Chief Executive Officer and Managing Director

Mumbai, April 18, 2016

INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE

TO THE MEMBERS OF TATA CONSULTANCY SERVICES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **TATA CONSULTANCY SERVICES LIMITED** ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
 - Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
 - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. 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 Registration No. 117366W/W-100018)

P. R. RAMESH

Partner

(Membership No. 70928)

Mumbai, April 18, 2016

Business Responsibility Report



Business Responsibility Report

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Introduction

Tata Consultancy Services Limited (TCS) has adopted the 'triple bottom-line' approach, recognising People, Planet and Profit as the primary pillars of corporate sustainability.

At TCS, corporate sustainability is demonstrated through (a) fair, transparent and ethical governance, (b) engagement with marginalised and vulnerable communities, (c) adherence to and respect for all human rights, (d) offering specialised services and solutions to meet distinct needs of its clients, (e) reduction of impact of its operations on the environment and (f) promotion of employee well-being and safety.

TCS operates in a large number of geographies across the globe. All these units of operation are encouraged to identify target beneficiaries in line with their local needs. The objective is to drive sustainability through various initiatives across the units of operation, supply chain, community and customers. While volunteering by employees is encouraged, the Company also utilises its own expertise in IT to address needs of the community and the environment.

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
- Website:** www.tcs.com
- E-mail id:** corporate.sustainability@tcs.com
- Financial year reported:** April 1, 2015 to March 31, 2016
- 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):**
 - Application development and maintenance
 - Enterprise solutions including business intelligence and
 - Business process outsourcing

9. Total number of locations where business activity is undertaken by the Company:

There are 111 global locations

i. Number of International Locations (Provide details of major 5)

97 International locations:

North America	16
LATAM	3
UK & Ireland	18
Europe	29
APAC	23
MEA	8

ii. Number of National Locations:

14 National locations

10. Markets served by the Company:

North America, South America, United Kingdom & Ireland, Europe, Asia Pacific, Middle East & Africa and India.

Section B: Financial Details of the Company

Tata Consultancy Services Limited			
		FY16 Stand alone ₹ crores	FY16 Consolidated ₹ crores
1	Paid up capital	197.04	197.04
2	Total Turnover	89,604.05	111,700.08
	(a) Revenue from operations (net of excise duty)	85,863.85	108,646.21
	(b) Other income (net)	3,740.20	3,053.87
3	Profit for the year (after taxes and minority interest)	22,882.70	24,291.82

- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 1.64% of average profit for previous three years in respect of standalone TCS (computation as prescribed by the Companies Act, 2013).

5. **List of activities in which expenditure in 4 above has been incurred:-**

Sr. No	Particulars	Amount spent in ₹ crores
1	Education & Skill Building	78.08
2	Health & Wellness	79.44
3	Restoration of Heritage Site	0.33
4	Environmental Sustainability	0.07
5	Disaster Relief	18.24
6	Contribution to TCS Foundation	118.07
	Total	294.23

The Company's spending on Corporate Social Responsibility (including overseas expenses) is ₹ 381.42 crores.

Section C: Other Details

i. **Does the Company have any Subsidiary Company/ Companies? Yes**

ii. **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 of Company's overseas subsidiaries participate in BR activities. The Company's indian subsidiaries have their respective CSR programmes.

iii. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?**

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business

i. **If yes, then indicate the percentage of such**

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):**

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

entity/entities? [Less than 30%, 30-60%, More than 60%]: Not applicable

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

a) **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:

i. **DIN Number:** 00010178

Name: Mr. Cyrus Mistry

Designation: Chairman

ii. **DIN Number:** 00548091

Name: Mr. O.P. Bhatt

Designation: Independent Non-Executive Director

iii. **DIN Number:** 00121863

Name: Mr. N. Chandrasekaran

Designation: Chief Executive Officer and Managing Director

b) **Details of the BR head:**

Sr. No	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr. Ajoyendra Mukherjee
3	Designation	Executive Vice President & Global Head HR
4	Telephone number:	022 – 67789999
5	e-mail id	corporate.sustainability@tcs.com

TATA CONSULTANCY SERVICES LIMITED

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S. No	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 being 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? Is 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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.tcs.com/SiteCollectionDocuments/About%20TCS/Tata-Code-of-Conduct-2015.pdf		Same as P1	http://www.tcs.com/about/corp_responsibility/Pages/Corporate-Social-Responsibility-Global-Policy.aspx	Same as P1	http://www.tcs.com/about/corp_responsibility/environmental/Pages/default.aspx	Same as P1	Same as P1	Same as P1
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	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
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:** Quarterly
- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, the Company publishes its sustainability report on GRI 3.1 framework annually. It is also available on the Company's website www.tcs.com/cs

Section E: Principle-wise performance

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? No**

- i. **Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?**

All companies in TCS group are covered by the policy

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

197 complaints were received during the year 2015-16, from various stakeholders. 89.8% of these were satisfactorily resolved. Internal review is under progress for the pending items.

Additional Information

The Tata Code of Conduct (TCoC) is the guiding document on principles of responsible business conduct for all employees. Created in 1998, the TCoC has been influenced by the UN Declaration of Human Rights and the ILO principles. Within TCS, it is available on the intranet and on the Company's webpage. Guided by the managers and a global network of local ethics counsellors, all employees adhere to the principles laid down in the TCoC. The Corporate Sustainability Assessment which is conducted annually includes review of awareness and adherence to the TCoC. An updated version of the Tata Code of Conduct was released during the year.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

TCS has evolved its strategy around integrated customer-centric services delivered from multiple global locations with consistent quality through its Global Network Delivery Model (GNDM™). The Company follows rigorous quality management processes to ensure highest quality of service delivery. TCS is the world's first organisation to

achieve an enterprise-wide Maturity Level 5 on CMMI® and P-CMM® based on SCAMPIS™

TCS has evolved an 'Integrated Quality Management System' (iQMS) which caters to all types of services it delivers and is aligned with the strategic objectives of the Company. iQMS is an integrated approach for implementing practices of world-class quality models such as ISO 9000 (Quality), ISO 20000 (Service Management), CMMI, ISO 27001 (Security), ISO 14001 (Environment) and OHSAS 18001 (Health & Safety).

The assured world class high quality of services ensures that the IT system built by TCS would be safe and sustainable throughout the lifetime of the system anywhere in the world.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

There are many examples, some of which are well known to the public at large. Three of these are mentioned below:

- a) **SADAREM (Software for Assessment of Disabled for Access Rehabilitation and Empowerment)**

- b) **State Government Certificate Delivery Gateway (MeeSeva)**

- c) **Remote Energy Management Solution**

- a) **SADAREM (Software for Assessment of Disabled for Access Rehabilitation and Empowerment):** Objective of the Software for Assessment of Disabled for Access Rehabilitation and Empowerment (SADAREM) initiative is to create a Dynamic Web enable system for comprehensive access, rehabilitation and empowerment, through automation, capacity building, assessment of Persons With Disabilities (PWDs) and maintaining Decision Support System (DSS). Government of Andhra Pradesh has taken this initiative of identifying & creating the centralised database for person with disabilities by using scientific approach & disability guidelines.

SADAREM ICT solution is designed to cover the following features:

- i. Scientific assessment of degree of the disability is done on the basis of methods and formulas prescribed in the Gazette 2001 issued by the Ministry of Social Justice and Empowerment, Govt. of India.
- ii. Generation of a computer based disability certificate with unique ID along with identity card.
- iii. Assessment of needs and maintaining the centralised data base. Software will also generate all the details including the support services that the disabled persons

are entitled, based on the need assessment and a record of the services provided from time to time.

- iv. The database thus generated will be hosted in the public domain to enable service providers to reach out to the disabled persons.

b) State Government Certificate Delivery Gateway (MeeSeva)

"MeeSeva" is a Telugu word which means, 'At your service'. This is an e-governance initiative that incorporates the vision of National eGov Plan "Public Services Closer to Home" and facilitates single entry portal for entire range of G2C services.

MeeSeva is a project providing faster, easier and transparent access to various G2C services through more than 6000 kiosks by utilising Information & Communication Technologies. It's an Integrated One Stop Solution for 90 Million Citizens to approach Government for all their pressing needs. The Project brings in a digital PKI enabled integrated architecture to deliver G2C Services in a purely electronic mode (replacing issuing of ink signed paper based manual certificates).

MeeSeva is operational across all the districts of Telangana and Andhra Pradesh with the centralised architecture, any service can be accessed from anywhere. The services offered include the delivery of Land Records (Pahani/Adangal, ROR 1B, FMB), Income, Birth, Death, Residence, Caste certificates, Registration Department Services like Encumbrance Certificates, Certified Copy of Registration Documents, DISCOM Services like new electricity connection, load change, category change services etc.

c) Remote Energy Management Solution

TCS has continued its investment in 2015-16 in the Remote Energy Management Solution. The technology has been further enhanced leveraging T CUP (TCS Connected Universe Platform), the Company's cutting edge and patent-rich cloud based IoT platform, and SDAF (Sensory Data Analytics Framework) providing a scalable platform for data management, analytics, rich query capabilities and visualisation. The scalability of this IoT platform can be used to integrate other resource management aspects such as water, transportation etc, while continuously enhancing the energy management capabilities. TCS has also set up a centralised Resource Operations Centre at Kochi comprising of experienced and trained team comprising of subject matter experts,

energy analysts and cloud based IT systems experts, to enable real time monitoring of energy consumption and advanced energy analytics. In addition, further investments have been made in metering infrastructure, and the number of sites in India that are now actively monitored and managed have gone beyond 100.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

A. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

- a. **SADAREM** - Not applicable; addressed area is social concern.
- b. **State Government Certificate Delivery Gateway (MeeSeva)**- Not applicable; addressed area is social concern.
- c. **Remote Energy Management Solution** - Not applicable

B. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

- a. **SADAREM** - Not applicable; addressed area is social concern.
- b. **State Government Certificate Delivery Gateway (MeeSeva)** - Not applicable; addressed area is social concern.
- c. **Remote Energy Management Solution**
TCS has been able to proactively manage the annual energy bill of its India operations and has achieved a reduction in energy consumption of 26.91 million units, after normalising for any significant changes in business operations at the site level.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
Yes

i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sustainable sourcing describes a sourcing exercise which goes beyond economic considerations and takes into account environmental, social and ethical factors as well. It is a widely practiced tool within TCS and the endeavour is to maximise its reach with every passing year. TCS has a stated environment policy and an occupation health and safety policy. The vendors have to ensure compliance to these policies. It covers various issues like health of their workers deployed, safety measures (helmet, rope, safety-belt etc.) adopted, discharge from equipment, hygiene norms, PUC requirement for vehicles hired, age of vehicles used etc. The adherence

to the policy is audited by an internal team not directly involved with execution and action is taken on the deviations. Adherence to local laws for compensation of vendors' workmen is also strictly practiced at TCS.

Vendors are asked to sign the Tata Code of Conduct and TCS' Supplier Code of Conduct for every contract awarded, in order to ensure ethical practices are followed throughout the entire supply chain. Additionally, vendors are empowered to raise ethical concerns that they may come across while dealing with members of TCS management at any level.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Yes

i. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

While the criteria for selection of goods and services is quality, reliability and price, TCS gives preference to small organisations, particularly promoted by entrepreneurs from socially backward communities. 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 programme, 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 new avenues and provide opportunities to the entrepreneurs to utilise 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'. Through TCS-Maitree, a 1,500 sq ft convention center was built as a workstation and storage area for raw material & finished goods. Training on screen printing, block painting has also been provided and TCS procured 9 full shutter sewing machines, one embroidery machine, and a snap button machine for these women.

Through TCS' support this initiative has successfully completed an order of making 13,600 cotton bags for TCS World 10K & Mumbai Marathon in the last 3 years.

5. Does the company have a mechanism to recycle products and waste?

Yes

i. If yes what is the percentage of recycling of products and waste (separately as <5%,

5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The nature of the Company's business is such that there are no significant emissions or process wastes. The waste generation is fairly limited and restricted primarily to e-waste, lube oil waste, waste from lead-acid batteries and municipal solid waste. The Company's waste management practices seek to reduce the environmental impact by reduction in generation, segregation at source, maximisation of recycling and reuse to achieve the target of <5% waste to landfill.

- Waste Lube Oil, UPS batteries, e-waste – disposed through government authorised recyclers (100% recycling)
- Waste office paper – sent for recycling (100% recycling)
- Printer and toner cartridges – sent back to the manufacturer under product take-back arrangement (100% recycling)
- Bio-degradable garden waste and food waste - vermi-composting and bio-digestion respectively (30% recycling)

Additional Information

Environment Performance - FY 2015-16

Sr No	Environmental Performance Parameter	% change (over FY 2014-15)	% change (over FY 2007-08)
1	Electricity Consumption (kWh/FTE/month)	5% decrease	44.6% Decrease
2	Fresh water consumption (ltrs/FTE/month)	2% Increase	14.1% Decrease
3	Carbon footprint due to Scope 1 + Scope 2 (tCO ₂ e/FTE/annum)	6% Decrease	43.3% Decrease
4	Paper consumption (Reams/1000FTE/month)	6% Decrease	79.6% Decrease

Principle 3

Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees:

Total number of employees including subsidiaries as on March 31, 2016 was 3,53,843

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

15,037 employees were hired on a contractual basis

3. Please indicate the number of permanent women employees:

Total number of permanent women employees as on March 31, 2016 was 1,19,664

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4. Please indicate the number of permanent employees with disabilities:

565 on the basis of self-declaration

5. Do you have an employee association that is recognised by management? : Yes

6. What percentage of your permanent employees is members of this recognised employee association? : 0.05%

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.

Child labour, forced labour, involuntary labour is prohibited in the workplace as stated in the Company's Code of Conduct. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder.

During FY 2015-16, the Company has received 34 complaints on sexual harassment, out of which 33 complaints have been resolved with appropriate action taken and 1 complaint remains pending as on March 31, 2016. Internal review is under progress for the pending complaint. No complaints have been received on child labour, forced labour and involuntary labour in FY 2015-16.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

1. Safety

All the categories of employees mentioned above have been covered through our training modules. Training on health and safety is imparted to associates as a part of the induction training combined with an annual refresher web based HSE training. An effective mode of training has been informal floor-walks and town-hall meetings. Additionally, regular fire drills, several awareness campaigns including road safety, fire safety, ergonomics, behaviour based safety, etc. are conducted to reach out to the associates. Innovative modes of training including video based learning modules and interactive web based training have been very effective and in FY16, over 6,74,629 person-hours of training on health, safety and environment has been imparted through the various training programmes.

2. Employee skill up-gradation:

	FY 16
Permanent Employees	82%
Permanent Women Employees	86%
Casual/Temporary/Contractual Employees	80%
Employees with Disabilities	Included above

Additional Information

The Company has a number of policies and programmes focussed on employee wellbeing. These include holiday homes, pharmacy benefits, vacation for employees who are retiring, periodic health screening, safety for women associates and health insurance coverage including parents/in-laws. The policy change management framework takes into consideration, feedback from all relevant stakeholders. The policies and programmes are implemented through various internal teams, with HR taking the ownership.

There are several platforms within TCS which seek to empower employees. 'Employee Concerns' is an online tool where a grievance may be raised by an employee which is then addressed by stakeholders within predefined Service Level Agreements (SLAs). Initiatives such as 'iConnect' and 'mPower' provide the opportunity to resolve issues of key importance and facilitate individual mentoring and coaching with senior managers.

TCS also offers an Employee Assistance Programme (EAP) for India based associates, which includes professional counselling services in important life matters such as personal, relationship, work and parenting concerns that an employee voluntarily seeks. Associates can communicate with the counsellors through a toll-free number, online correspondence as well as face to face meetings. There is also a 24x7 emergency number for immediate concerns.

Digitised platform 'Career Hub' enables employees to record their aspirations, helps the Company in identifying high potentials, mentors and tracks career movement of employees. The tool 'TCS Gems' is used for global reward and recognition. Fit4Life, health awareness sessions, periodic medical check-ups, gymnasiums in offices and 24 x 7 'Employee Assistance Programme' are some of the important initiatives for employee health and safety. TCS provides its employees huge opportunities for learning. Substantial investments in infrastructure and tools have been made to keep its workforce motivated and ready for the evolving technology.

Adherence to the Company's HR policies is audited by the internal auditor of the Company. The HR compliance team continues to monitor the changes in legislation pertaining to employment, labour and immigration laws across the globe to ensure compliance, which is checked through regular audits.

The HR compliance team pro-actively prepares alerts to identify key areas where TCS needs to introduce new policies or modify the existing policies to remain compliant.

A number of non-work related employee engagement initiatives such as fun events, sports, cultural activities and volunteering for social causes are organised across the globe under our employee engagement platform known as 'TCS-Maitree'. The culture of volunteering helps employee bonding within the organisation and reduces stress at work. Employees are also encouraged to involve their families in these activities.

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. **Has the company mapped its internal and external stakeholders?** Yes
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?** Yes
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders?** Yes
 - i. **If so, provide details thereof, in about 50 words or so.**

TCS has several programmes designed to benefit marginalised stakeholders such as (a) illiterate adults, (b) scheduled caste, scheduled tribes and other tribal communities, (c) rural unskilled youth, (d) visually impaired and (e) inmates in jail. Benefits reach the marginalised stakeholders through the following schemes:

Promoting Employability, Employment, Education and Entrepreneurship among marginalised groups

- **Adult Literacy Programme (ALP)** – details given in Principle 8(1)(a)(i)
- **TCS-Maitree Advanced Computer Training Centre for the Visually Impaired** – details given in Principle 8(1)(a)(v)
- **BPS Employability Programme** – given in Principle 8(1)(a)(ix)
- **BridgeIT** - details given in Principle 8(1)(a)(xi)
- **IT Employability Programme** - details given in Principle 8(1)(a)(xii)
- **Other Programmes** - details given in Principle 8(1)(a)(xiv)

Principle 5

Businesses should respect and promote human rights

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. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'Tata Code of Conduct', adopted by the Company. All employees, including security personnel, are sensitised to human rights as part of their orientation programme.

With respect to vendors, TCS follows a rigorous screening process before entering into a business relationship. All the contracts that the Company enters into with vendors require the vendor to comply with the relevant laws safeguarding labour rights and human rights in their respective jurisdiction.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaints of this nature was received in this financial year

Principle 6

Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

TCS' Environmental Policy is applicable to all the business units/groups and extends to business partners including suppliers, vendors and contractors.

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. The 'TATA Group Climate Change Policy' and TCS' 'Environment Policy' guide the organisation to continually mitigate the impact on climate change and global warming as a result of our operations. The Company has specific targets to reduce the carbon footprint and monitors it on an ongoing basis. Detailed plan to achieve these targets focus on creating green infrastructure which are designed for better energy efficiency, drive green IT (IT enabled energy efficiency in data centers and distributed IT networks), efficient operations and green power purchase. The details of the targets, performance and the various initiatives are available at:

- a. **Corporate Sustainability page on TCS website:** http://www.tcs.com/about/corp_responsibility/Pages/default.aspx
- b. **Corporate Sustainability Report on TCS website:** http://www.tcs.com/about/corp_responsibility/cs-report/Pages/default.aspx

3. **Does the company identify and assess potential environmental risks?**

Yes. ISO 14001:2004 has been adopted as the environment management system standard. As a part of this management system, an exhaustive

impact assessment is conducted at organisation level as well as site level to identify all environmental impacts from our operations.

- 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. TCS is committed to drive energy efficiency. This is achieved through creating green building infrastructure, operating offices efficiently and driving green IT. Some key initiatives include – creating green office campuses designed at par with LEED standards and driving data centre energy efficiency through server virtualisation and optimisation of cooling load. The details of these initiatives and more information are available on:

a) Corporate Sustainability page on TCS website: http://www.tcs.com/about/corp_responsibility/Pages/default.aspx

b) Corporate Sustainability Report on TCS website: http://www.tcs.com/about/corp_responsibility/cs-report/Pages/default.aspx

- 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. All emissions/waste generated at various offices of TCS are within permissible limits. These are continuously monitored, reviewed internally and reported to the CPCB/SPCB as per the requirement.

- 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

Additional Information

'Environmental Policy' of the Company has been drafted in line with the ISO 14001:2004 environment management system. The overall responsibility of environment management lies with the Company's CEO & MD and the progress is reviewed by health, safety sustainability committee of the Board of Directors on a half yearly basis. External stakeholders can access this policy through the Company's website. For internal stakeholders, the policy has been posted on the intranet and at office receptions. Training on this policy is periodically conducted for all associates.

TCS has enterprise wide certification for integrated health safety & environment management system as per ISO 14001:2004 and OHSAS 18001:2007.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- 1. Is your company a member of any trade and chamber or association? :Yes**
- 2. If Yes, Name only those major ones that your business deals with:**

- 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)
- Federation of Indian Exporters Organisation (FIEO)
- Computer Society of India (CSI)

- 3. Have you advocated / lobbied through above associations for the advancement or improvement of public good?: Yes**

- 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)**

TCS has participated in industry body consultations in the following areas:

- Governance and Administration
- Sustainable Business Principles
- Inclusive Development Policies (with a focus on skill building and literacy)
- Economic Reforms
- Tax and other legislations

Additional Information

TCS uses the Tata Code of Conduct as a guide for its actions in influencing public and regulatory policy.

Principle 8

Businesses should support inclusive growth and equitable development

- 1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details there of:**

Yes, summary of initiative/projects undertaken is given below. Programmes are categorised a per themes of interest i.e.

- Education & Skill Building
- Health & Wellness
- Restoration of Heritage sites
- Disaster Relief
- Environmental Sustainability
- Global Initiatives
- Associate Volunteering

Details of Projects Undertaken

a. Education & Skill Building

i. **Adult Literacy Programme (ALP), a Computer Based Functional Literacy Programme**

TCS designed the Adult Literacy Programme (ALP) by using its expertise in IT to conceptualise and develop the modules to achieve functional literacy. Today, the software is available in 9 Indian languages and 3 foreign languages namely, Northern Sotho (South Africa) and Moore (West Africa) and Arabic. TCS is also collaborating with various colleges and institutes to promote literacy through students. Since inception, the programme has reached 2,61,518 beneficiaries which include prison inmates in New Delhi and Lucknow. The ALP is available on www.tcsion.com/ALP



Adult beneficiaries of TCS' CBFL package in New Delhi

ii. **UDAAN, initiative for increasing employability of Kashmiri Youth**

TCS was the first organisation in India to sign an MOU with the National Skill Development Corporation (NSDC) to promote employability among youth from Jammu & Kashmir. Through a 14 week training programme designed by TCS, UDAAN seeks to improve skills relevant to the industry as well as increase employment opportunities available to them. Since inception, the programme has trained 697 youths and 559

got offers of employment. 370 of these youths have joined TCS.



All women training batch under UDAAN at Kolkata

iii. EMPOWER Through Empower, TCS aims at building capacity and capabilities of its support staff at various TCS offices. Modules for training include acquiring basic computer skills, communication through English, and other relevant soft skills. In FY16, over 1200 beneficiaries received training under the programme.

iv. **Academic Interface Programme (AIP)**

The Company commitment towards the development of faculty for academic institutes, improvement of employability of students and development of curriculum as per industry requirements has been consistent.

v. **Advanced Computer Training Center (ACTC)**

In an effort to promote employability among individuals with visual impairment, the Company has created a programme that offers IT-enabled vocational courses that are in sync with the industry requirements, personality development and training in corporate etiquette. This unique programme aims at bridging the gap between computer skills of persons who are visually impaired and those required by IT/ITES.

Till date, TCS has trained 176 individuals of which 127 candidates have found employment.

vi. **TCS IT Wiz**

TCS IT Wiz, the biggest inter school IT Quiz programme in India, started in 1999 as a part of the educational Initiative to build awareness and hone IT skills for young students. The programme is the first and the largest powerful Knowledge Platform of this scale, on Information Technology for students of class 8-12. This year, the programme reached more than 17,000 students, from over 1000 schools in 15 cities.

vii. Rural IT Quiz

The Quiz aims at enhancing IT awareness among students from rural areas, promoting inclusive growth and building their confidence. The Rural IT Quiz currently reaches rural students in Madhya Pradesh, Gujarat, Maharashtra, Chattisgarh and Rajasthan. The Rural IT Quiz programme was conducted in the States of Gujarat, Maharashtra, Karnataka, Chattisgarh, Madhya Pradesh and Rajasthan. More than 14 lakh students participated in the programme in FY 2015-16.



Students participating in large numbers at the Rural IT Quiz in Gujarat

viii. TCS Maitree Village Development Programme

TCS is working to deploy a sustainable model to improve education, healthcare and environment and promote economic empowerment in rural areas across India.

To enhance their livelihood options in Panvel, India, TCS associates have trained 50 women in making eco-friendly jute bags through the 'Women Empowerment Programme'. In this village more than 520 children are benefitted through the provision of a two storey school building equipped with a Science lab, a library and a solar operated Computer lab. Infrastructure for clean drinking water is also built as supplementary support. Volunteers visit the school every weekend to teach the kids conversational English, Science and Maths. The Panvel Rural Development initiative is one of the flagship volunteering initiatives of TCS Maitree. More than 1114 people both children and adults have benefitted from these initiatives in Panvel (Maharashtra), Padmapur (Odisha) and Challeria (UP).

ix. BPS Employability Programme

Since 2010, TCS has dedicated itself towards addressing this critical concern of lack of exposure to contemporary skills within the country.

TCS launched a simple yet powerful employability training programme for marginalised youth across India. This Employability Training Programme comprises 80 to 100 hours of powerful interactive content designed to develop skills that increase their chances of finding employment.

The training provides an effective platform for the development of communication skills, corporate etiquette, interview skills, resume building and basic computer knowledge. Above all, the programme enables the trainees to become self-confident. Recruitment process for entry level jobs is conducted by TCS BPS post the training.

Since its inception in 2010, the programme has trained more than 50,000 youth in India across 17 states.

x. Avasara Learning Academy

TCS is supporting the construction of the GAINS (Girls Advancing in STEM) Academy which began in Pune in October 2014. Avasara aims at providing twenty-first century skill-building for girls (skills such as exposure to coding and critical writing). The girls are taught by faculty who were formerly at Woodstock School and the American school of Chennai.



Students at the Avasara Learning Academy

xi. BriDgeIT

BriDgeIT is unique project to demonstrate the use of IT as a key enabler in school education, adult literacy and creation of entrepreneurs

in Jhansi district (Bundelkhand region), Uttar Pradesh. This is a joint venture with the National Confederation of Dalit Organisations (NACDOR) who provides field level support in identifying schools and in the identification of young entrepreneurs; and Pratham as the domain expert is providing support in education domain support in child education. Computer Aided Learning (CAL) programme has reached 4,817 children till FY 2015-16. The programme also conducts the Adult Literacy Programme reaching 505 adults in the village. 34 digital entrepreneurs have been trained through the programme.



Digital literacy through the BridgeIT Programme at Jhansi, India

xii. IT Employability Programme

The goal of IT Employability is to enhance the employability skills of undergraduate and engineering students from rural areas and marginalised sections of society, thereby promoting sustainable and inclusive growth. The programme comprises of three modules which cover business communication, data interpretation and logical reasoning, quantitative aptitude, as well as programming languages such as C and C++. The training involves 200 hours of learning, which starts during the fifth semester and continues, in a phased manner, till the seventh semester of the undergraduate or engineering course. Post training, all students gain the opportunity to attend TCS' placement drive. All the IT Employability programme deployments follow TCS' talent development procedures, which include immediate feedback, delayed feedback, and final impact. A key highlight of the programme is that the learning is entirely volunteer driven, and led by TCS associates. Volunteers are highly committed

to the programme and venture into remote locations over several weekends to teach students. In FY 16, over 500 students benefitted from this programme.

Xiii. F. C. Kohli Research Center, IIIT Hyderabad

The new center aims to coordinate and energise education and research and help in imparting high-quality training to bachelors, masters, and doctoral students. The research to be undertaken is expected to have the potential for significant social impact through innovative products, and start-ups.

xiv. Other Programmes

At the Manuski Hostel in Pune, TCS has sponsored the education of 40 children from socially and economically disadvantaged communities. Water filters, computers and a broadband connection have also been provided within the girls' hostel. A library has been set up for the boys' hostel.

In NOIDA, TCS has associated with Vidya & Child to promote learning in Math, English and other soft skills among children in these locations. TCS also provides financial support for meritorious students in Class X, XI & XII. In FY 2015-16, 18 students received sponsorships.

TCS has been supporting students through FAEA for the past 5 years. This year, TCS contributed ₹ 3,50,000 towards 5 scholarships through Foundation for Academic Excellence and Access (FAEA) to help SC/ST students studying in professional courses in leading colleges in the country.

TCS has also sponsored the functioning of 41 Gadadhar Abhyudaya Prakalpa (GAP) units promoting holistic development of poor children across the country.



Children participating in wellness programme

b. Health & Wellness

i. Cancer Research Institute

An integrated Hospital Management System and IT infrastructure which includes a comprehensive and fully integrated, web-based solution has been provided free of cost to the Cancer Institute at Chennai.

In FY 16, as a result of laboratory equipment integration, the benefit of HMS could reach a larger number of patients, yielding as much as 5,40,000 investigation results.

ii. Tata Medical Center (TMC)

TCS also designed and implemented a comprehensive Hospital Management System for TMC, Kolkata. TCS has been supporting the Hospital Management System and IT-Infrastructure since 2011 and has added value through constant on-demand enhancements and upgrades. In FY 16, compatibility for clinical and EMR functions has been ensured and the endoscopy process has been enhanced by third party software integration and re-organisation of the order and payment process. Computer-on-Wheels has been configured and introduced in wards to ensure immediate information and update. The new GE-PACS system integration with the HMS was carried out without impacting day-to-day operations in the Radiology Lab. The donor fund management process has been linked with social assessment for disbursement of funds to the low income patients. Employee leave and appraisal process has been implemented for in-house staff. The IVR system and OS in digital networks has been upgraded. Physical setup of key equipment has been changed for better air-circulation and maintenance.

In FY 2015-16, more than 1,30,000 patient visit and treatment details were successfully logged.

iii. Projects undertaken by the CSR Tech Team

TCS' Tech CSR Team uses information technology (IT) as key enabler to assist such organisations and is instrumental in analysing and highlighting areas of improvement and suggesting processes and systems to increase efficiency for social organisations. Tech CSR team offers multiple technical competencies and provides simple, user friendly and holistic systems which assist in mapping core functions of the social programme

and translate them into tools for efficiency, visibility and accountability.

In FY 2015-16, the Tech CSR Team has supported and successfully launched projects for Mumbai Mobile Creches, Operation Smile, Center for Social Action and Impact India.

iv. AIIMS Transformation

To make a key impact on AIIMS, TCS realised that transforming the current OPD process by enriching the patient experience by reducing the time between the entry and exit process is the way forward. TCS decided on the following approach post comprehensive analysis. Phase I (Short Term) would involve OPD Transformation and Performance and improvement of existing IT systems and Phase-II (Long Term) would involve ERP Implementation and EMR Stream. Post TCS' intervention, the patient reception center now has a seating capacity of 750 with 52 operational counters. There are 10 operational Web Kiosks with an increased capacity in the waiting area. 85 patient care coordinators have been assigned and 34 departments have successfully streamlined their processes to treat a patient population of 1000/day.



Revamped Patient Reception Center at AIIMS, New Delhi

v. Swachh Bharat Abhiyaan by TCS

It is imperative to not only provide high quality education to all sections of the society, but also ensure that learning happens in a clean and healthy environment. The 'Swachh Bharat, Swachh Vidyalaya Abhiyan', launched by the Government of India, aims to improve hygiene across schools through improved water and sanitation facilities. TCS supports this vision and has continued to provide dedicated sanitation

facilities for girl students in government schools, through 'Swachh Bharat Abhiyaan' programme.

The programme is committed to providing the girl child the surety of safety, dignity, and equality. A special task force was formed in October 2014 to implement this programme within a short timeframe. Implementation commenced in March, 2015 and was completed in the selected schools by July 31, 2015.

The Ministry of HRD and state authorities have noted that the TCS model is an exemplary approach towards sanitation which can be adopted by other corporates and PSUs. TCS' intervention reached 80,757 girls in 1472 schools across 1169 villages in 4 states.



Providing access to sanitation facilities through support for the Swachh Bharat Abhiyan

c. Restoration of Heritage Sites

i. Restoration of the Rajabai Clock Tower, Mumbai University

The Rajabai Clock Tower is located in Fort campus of the University of Mumbai and is a heritage site. The architectural restoration of the tower involved structural services (stoning, restoring woodwork, water-proofing, electrical work and fire alarms) interior works along with ensuring the longevity of the building for future generations. One of the enormous challenges of this project was to implement sensitive restoration and repair work of the clock tower, with the clock functioning and working at a height of 87m (approximately 29 floors). This was carried on successfully via specialist workers and restorers. The end result is a phenomenal building reinstated to its magnificence.



TCS sponsored the restoration of the iconic Rajabai Clock Tower in Mumbai

d. Disaster Relief

i. Supporting relief work for the Chennai Floods

TCS served as the lead company in the TATA group's emergency response to the floods in Tamil Nadu. In addition to setting up a community kitchen, distribution of food, emergency response kits, initiating health and wellness interventions were carried out. Health & Wellness Camps were conducted at several villages. 2,850+ people who were affected by the floods were treated at these camps. Over 40 villages were surveyed and 30 villages were short listed for distributing kits through partner NGO's. TCS donated ₹ 10 crore to Tamil Nadu government's flood relief work and also donated ₹ 13.8 crore to Tata Group's efforts.

e. Environmental Sustainability**i. Turtle Conservation Programme**

TCS in association with the Sahyadri Nisarga Mitra Chiplun has been implementing Marine Turtle Conservation Programme on participatory basis from 2010-11. The aim of the programme is to protect the breeding sites, prevent illegal hunting and killing of turtles and protect these species from other predators at breeding sites.

In FY 2015-16, the programme was implemented in 5 locations along the Maharashtra coastline. Till date, 150 nests as well as breeding population of endangered (female) Olive Ridley turtles were protected and 16202 eggs were successfully located to hatchery. A total 8290 hatchlings were successfully released into their natural habitat during breeding period from 2010-11 to 2015-16. The programme has helped achieve the highest survival rate of 51.17% of hatching thereby contributing to an increase in the marine turtle population worldwide.

ii. Chinnappanahalli Lake Conservation

TCS started the association with Chinnappanahalli Lake, Bengaluru through financial support for the maintenance of the lake, apart from engaging volunteers in increasing community involvement in environmental conservation. TCS teams from several project accounts visited the lake and participate in various maintenance activities for the garden surrounding the lake. Volunteers helped rebuild the senior citizen's park, pruned hedge plants across the garden, built a nursery, manured the plants and have helped with the construction of a underground water drainage system. Over 800 TCS associates participated in these activities. Post restoration, Chinnappanahalli Lake is now an abode of bird species like the Painted Stork, Spot Billed Duck, Egrets, Bee Eater and the Cormorant.

iii. Other Environment Initiatives

The biodiversity mapping of TCS sites has been carried out and various conservation & enhancement programmes are being implemented to protect & enhance biodiversity. Currently, there are 305 types of flora being nurtured with TCS' various campuses.

f. Global Initiatives

The Company's focus on skill development has been enhanced with larger reach and a significant impact in FY 2015-16.

In North America, through the Company's interventions more than 20,000 have been impacted. goIT is TCS' signature community engagement programme in North America, through which our employees teach computer programming and mentor youth to increase STEM education and career awareness, reached 997 students of which 426 were girls. This year, TCS actively participated in the Hour of Code, a coding competition conducted during the computer science education week that saw participation from more than 1300 students of which 400 were women. Tata Consultancy Services was a proud co-founding sponsor - alongside Chevron - of the inaugural US2020 STEM Mentoring Awards on July 23 at the White House, recognising worthy winners for their exceptional work in science, technology, engineering, and math (STEM) mentoring. The awards ceremony was part of the first ever STEM Mentoring Symposium, bringing together leaders from the Obama administration, public, private, and social sectors to share best practices, discuss common challenges and reaffirm mentoring as a powerful tool for education reform and nation building.

In UK, the Company reached more than 34,000 people through its interventions. *IT Futures*, our flagship programme, encourages students to develop an interest in IT and strengthens the ability of educators to deliver effective training and relevant skills. This year, TCS participated in the Big Bang Fair, a STEM fair organised to enhance children's interest in IT. In the event, TCS volunteers created fun technical challenges for the student participants. TCS Tech Challenge is another novel programme where university teams produce detailed, real world solutions in support of partner charities. IT for Good is this summer challenging 14-18 year olds to come up with an IT system to help people overcome a real problem, whether in the developing world or closer to home, for the chance to win a week's MISSION YOU training placement with TCS in London, Edinburgh, Peterborough or Liverpool. With its Apps for Good partnership, TCS has teamed up with the organisation to challenge young people aged 11-14 to develop problem solving skills and became tech entrepreneurs who create apps to solve problems. Stepney Green Maths and Computing College is TCS' flagship school in the company's wide-ranging IT Futures programme, which aims to inspire young people with the creative potential of technology, at various stages in their education.



TCS' IT Futures programme engages students across UK

In Asia Pacific, Australia and New Zealand, programs impacted over 14000 people. In Australia, six not-for-profit organisations were selected to receive expert IT and technology support free of charge, as part of a new community programme. HeartKids Australia, Cystic Fibrosis New South Wales, Hunter Medical Research Institute, The Royal Hospital for Women Foundation, The Australian Indigenous Leadership Centre and The Penguin Foundation will be the first beneficiaries of the TCS Australia and New Zealand Pro Bono Community Programme. Go4ITWork Experience Programme which encourages an interest in IT among women, saw participation from 120 women from 47 different schools in Sydney and Melbourne. TCS associates supported Operation Smile in China by maintaining accurate medical records for all the patients and provided support in the pre-op and post-op activities. 157 patients benefitted from this programme. TCS associated also developed SenCi, a Senior Citizen Mobile Application which provides reminders for medicines and doctor's appointments.



IT training centre at South Africa

In Middle East and Africa, our programmes have impacted over 2000 people. TCS South Africa has initiated several programmes to bring about IT awareness in schools and in underdeveloped rural areas of South Africa. In South Africa, TCS has trained more than 500 under-privileged children in IT in a year. Through its graduate training programme, the company has trained and recruited 33 youth in South Africa.

In LATAM, the programmes reached over 3000 people. ENABLE a programme focusing on Social & Economic empowerment of differently abled impacted 375 people. The Company also signed a partnership with the TCS Brazil collaborates with Centro Paula Souza, the largest technical education institution in Latin America which has 282 education units and 285,000 students.

Every month, TCS' associates will conduct technical lectures for 150 students at these institutes. The programme is expected to train more than 1,000 students.

g. Associate Volunteering

The Company cultivates and propagates volunteer-driven, meaningful activities for TCS associates & their families in the domain of associate engagement and community services. TCS Purpose4Life is aimed at providing a platform for scaling up efforts of socially conscious associates in the areas of health, education, and environment. Through Purpose4Life, every associate is encouraged to pledge their social contribution in terms of volunteering hours. Associates can form teams and immediate family members can be included as well. TCS Purpose4Life has contributed 612,908 hours garnering TCS' large employee base to support a variety of community development programmes.

2. Are the programmes / projects undertaken through in-house team?

Yes, through in-house team and implementing agencies.

3. Have you done any impact assessment of your initiative?

Currently, the Company monitors the reach and outcome of its CSR initiatives through monthly reports and assessments conducted by CSR regional and geographical leads.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

TCS' contributed ₹ 381.42 crore for community development projects in FY 2015-16. Details provided in item 1 of Principle 8.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? If yes, 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, telephonic and email communications are regularly carried out. The Company has engaged highly trained employees to drive and monitor the CSR activities.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

- 1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

11.7% of the complaints received were open as on end of the financial year. These are in the process of being resolved.

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws?**

TCS is a software solution provider hence this question is not applicable to us.

i. Remarks (additional information) – None

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive 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.**

As on date, there are no anti-competitive, abuse of dominant position or unfair trade practices cases pending against the Company.

- 4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Customer satisfaction surveys are carried out on a half yearly basis. The survey is done at an account-level and measures TCS' performance on various parameters across multiple dimensions.

Consolidated Financial Statements



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**TO THE MEMBERS OF
TATA CONSULTANCY SERVICES LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Tata Consultancy Services Limited** ('the Company') and its subsidiary companies (the Company and its subsidiary companies together referred as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ('the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable. The respective Board of Directors of the Company and its subsidiary companies 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; 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 consolidated 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 these consolidated financial statements by the Board of Directors of the Company.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial controls relevant to the Company's preparation of the consolidated 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 consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, 2016 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of 9 direct subsidiary companies, whose financial statements reflect total assets of ₹ 10,233.51 crores as at March 31, 2016, total revenues of ₹ 15,567.06 crores and net cash inflows amounting to ₹ 391.30 crores for the year ended on that date, as considered in the consolidated 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter 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, 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 financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the consolidated 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified 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, 2016, 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, 2016 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 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 the Company and its subsidiary companies incorporated in India.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31, 2016.
 - ii) The Group has made provisions in its consolidated 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W / W-100018)

P. R. RAMESH
Partner
(Membership No. 70928)

Mumbai, April 18, 2016

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, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the 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' judgment, 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 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 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, 2016, based on the 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.

Other Matter

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 5 subsidiary companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W / W-100018)

P. R. RAMESH
Partner
(Membership No. 70928)

Mumbai, April 18, 2016

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2015-16

Consolidated Balance Sheet as at March 31, 2016

(₹ crores)

	Note	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	197.04	195.87
(b) Reserves and surplus	4	65163.52	50438.89
		65360.56	50634.76
Minority interest		502.23	1127.76
Non-current liabilities			
(a) Long-term borrowings	5	82.53	114.27
(b) Deferred tax liabilities (net)	6 (a)	441.17	342.96
(c) Other long-term liabilities	7	745.10	825.02
(d) Long-term provisions	8	277.28	297.87
		1546.08	1580.12
Current liabilities			
(a) Short-term borrowings	9	112.96	185.56
(b) Trade payables (includes dues to micro and small enterprises ₹ 18.46 crores (March 31, 2015: ₹ 12.35 crores))		7539.93	8830.93
(c) Other current liabilities	10	5357.45	3646.59
(d) Short-term provisions	11	8965.17	7655.16
		21975.51	20318.24
TOTAL		89384.38	73660.88
II. ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		10606.61	9376.12
(ii) Intangible assets		119.35	168.83
(iii) Capital work-in-progress		1671.20	2766.37
		12397.16	12311.32
(b) Non-current investments	13	226.45	169.18
(c) Deferred tax assets (net)	6 (b)	822.94	593.94
(d) Long-term loans and advances	14	10395.48	9154.92
(e) Other non-current assets	15	574.41	525.30
(f) Goodwill (on consolidation)		1900.55	2093.22
		26316.99	24847.88
Current assets			
(a) Current investments	16	22359.15	1492.60
(b) Inventories	17	16.27	16.07
(c) Unbilled revenue	18	3991.74	3827.08
(d) Trade receivables	19	24069.71	20437.94
(e) Cash and bank balances	20	6784.76	18556.04
(f) Short-term loans and advances	21	5582.35	4146.45
(g) Other current assets	22	263.41	336.82
		63067.39	48813.00
TOTAL		89384.38	73660.88
III. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-45		

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

O. P. Bhatt
Director

Suprakash Mukhopadhyay
Company Secretary

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Aarthi Subramanian
Executive Director

Prof. Clayton M. Christensen
Director

V. Thyagarajan
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 18, 2016

Mumbai, April 18, 2016

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(₹ crores)

	Note	2016	2015
I. Revenue from operations (Net of excise duty of ₹ 0.86 crores (Previous year ₹ 4.09 crores))		108646.21	94648.41
II. Other income (net)	23	3053.87	3229.91
TOTAL REVENUE		111700.08	97878.32
III. Expenses:			
(a) Employee benefit expense	24	41769.08	38701.15
(b) Operation and other expenses	25	36287.34	31465.55
(c) Finance costs	26	19.83	104.19
(d) Depreciation and amortisation expense	12	1947.96	1798.69
TOTAL EXPENSES		80024.21	72069.58
IV. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		31675.87	25808.74
V. Exceptional item	42	-	489.75
VI. PROFIT BEFORE TAX		31675.87	26298.49
VII. Tax expense:			
(a) Current tax	27	7499.67	6276.02
(b) Deferred tax		(117.23)	(28.18)
(c) MAT credit entitlement	27	(81.51)	(9.05)
		7300.93	6238.79
VIII. PROFIT FOR THE YEAR BEFORE MINORITY INTEREST		24374.94	20059.70
IX. Minority interest		83.12	207.52
X. PROFIT FOR THE YEAR		24291.82	19852.18
XI. Earnings per equity share - Basic and diluted (₹)	37	123.28	101.35
Weighted average number of equity shares (face value of ₹ 1 each)		197,04,27,941	195,87,27,979
XII. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-45		

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

O. P. Bhatt
Director

Suprakash Mukhopadhyay
Company Secretary

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Aarthi Subramanian
Executive Director

Prof. Clayton M. Christensen
Director

V. Thyagarajan
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 18, 2016

Mumbai, April 18, 2016

Consolidated Cash Flow Statement for the year ended March 31, 2016

(₹ crores)

	Note	2016	2015
I CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		31675.87	26298.49
Adjustments for:			
Depreciation and amortisation expense		1947.96	1308.94
Bad debts written-off (net)		10.03	12.46
Provision for doubtful receivables (net)		115.58	158.60
Provision for doubtful advances (net)		6.23	6.42
Advances written off (net)		2.83	0.25
Diminution in value of investments (net)		-	1.40
Interest expense		19.83	104.19
Profit on sale of fixed assets (net)		(4.86)	(2.54)
Unrealised exchange (gain) / loss (net)		(66.89)	54.31
Dividend income from investments		(11.26)	(9.49)
Interest income		(1715.53)	(1596.61)
Profit on redemption of mutual funds and sale of other investments (net)		(471.89)	(233.10)
Operating profit before working capital changes		31507.90	26103.32
Inventories		(0.20)	(0.86)
Unbilled revenue		(164.66)	212.76
Trade receivables		(3757.38)	(2,158.04)
Loans and advances and other assets		(593.77)	(711.75)
Trade payables, other liabilities and provisions		(307.57)	3405.11
Cash generated from operations		26684.32	26850.54
Taxes paid		(7568.88)	(7481.76)
Net cash provided by operating activities		19115.44	19368.78
II CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(2046.52)	(2949.20)
Proceeds from sale of fixed assets		22.16	6.70
Acquisition of subsidiaries net of cash of ₹ Nil (March 31, 2015: ₹ 25.23 crores)		-	(263.65)
Purchase of shares from minority shareholders		-	(74.47)
Purchase of mutual funds, government securities and other investments*		(116529.47)	(67296.17)
Proceeds from redemption of mutual funds, sale of government securities and other investments*		96903.68	69360.96
Inter-corporate deposits placed		(2590.00)	(1797.00)
Inter-corporate deposits matured		1083.00	1952.00
Fixed deposits placed with banks having original maturity over three months		(64.16)	(15538.60)
Fixed deposits with banks matured having original maturity over three months		16361.33	13064.39
Earmarked deposits placed with banks		(461.72)	(195.44)
Earmarked deposits with banks matured		306.62	25.27
Dividends received		11.26	9.49
Interest received		1795.15	1994.40
Net cash used in investing activities		(5208.67)	(1701.32)

Consolidated Cash Flow Statement for the year ended March 31, 2016 (Contd.)

	Note	(₹ crores)	
		2016	2015
III CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings		(0.47)	(0.47)
Short-term borrowings (net)		(72.60)	43.41
Dividend paid, including dividend tax		(9479.19)	(17020.46)
Dividend paid to minority shareholders of subsidiaries and dividend tax on dividend paid by subsidiaries		(45.22)	(85.11)
Issue of shares to minority shareholders		1.52	-
Interest paid		(20.16)	(104.98)
Net cash used in financing activities		(9616.12)	(17167.61)
Net increase in cash and cash equivalents		4290.65	499.85
Cash and cash equivalents at the beginning of the year		1861.89	1467.86
Exchange difference on translation of foreign currency cash and cash equivalents		139.52	(105.82)
Cash and cash equivalents at the end of the year	20	6292.06	1861.89
Earmarked balances with banks		439.96	312.67
Short-term bank deposits		52.74	16381.48
Cash and bank balances at the end of the year	20	6784.76	18556.04
Supplementary disclosure of cash flow non-cash investing activities:			
Investment in shares at cost received in settlement of trade receivables		0.01	58.87
Issue of shares on acquisition of subsidiary		-	69.05
*Purchase of mutual funds, government securities and other investments include ₹ 473.09 crores (March 31, 2015: ₹ Nil) and redemption of mutual funds, government securities and sale of other investments include ₹ 197.49 crores (March 31, 2015: ₹ Nil) of TCS Foundation, formed for conducting corporate social responsibility activities of the Group			
IV NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-45		

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

O. P. Bhatt
Director

Suprakash Mukhopadhyay
Company Secretary

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Aarathi Subramanian
Executive Director

Prof. Clayton M. Christensen
Director

V. Thyagarajan
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 18, 2016

Mumbai, April 18, 2016

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") provide consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. The Group's full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Cloud Services, Connected Marketing Solutions, Consulting, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON -Small and Medium Businesses, IT Infrastructure Services, Mobility Products and Services and Platform Solutions.

As at March 31, 2016, Tata Sons Limited owned 73.26 % of the Company's equity share capital and has the ability to control its operating and financial policies. The Company's registered office is in Mumbai and it has 61 subsidiaries across the globe.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 as applicable. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

b) Principles of consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- ii) The share of profit / loss of associate companies is accounted under the 'Equity method' as per which the share of profit / loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- iii) The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements.
- iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.
- v) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

c) Use of estimates

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation/amortisation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets exclude computers and other assets individually costing ₹ 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

e) Depreciation / Amortisation

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

Notes forming part of the Consolidated Financial Statements

Type of asset	Period
Leasehold land and buildings	Lease period
Freehold buildings	20 years
Factory buildings	20 years
Leasehold improvements	Lease period
Plant and machinery	10 years
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years
Goodwill	12 years
Acquired contract rights	12 years
Intellectual property / distribution rights	5 Years
Rights under licensing agreement and Software licenses	License period

Fixed assets purchased for specific projects are depreciated over the period of the project or the useful life stated above, whichever is shorter.

f) Leases

Where the Group, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

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 a lease is 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.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognised in the statement of profit and loss on a straight-line basis.

g) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of acquisition. Cash-generating units 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 the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of 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.

h) Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds, government securities and bonds are stated at the lower of cost and fair value.

Notes forming part of the Consolidated Financial Statements**i) Employee benefits****i) Post-employment benefit plans**

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

For defined benefit schemes, 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 statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as 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) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

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.

j) Revenue recognition

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

Revenue from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue from the sale of equipment are recognised upon delivery, which is when the title passes to the customer.

Revenue from sale of software licenses are recognised upon delivery.

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

In respect of Business Process Services, revenue on time and material and unit priced contracts is recognised as the related services are rendered, whereas revenue from fixed price contracts is recognised using the proportionate completion method with contract cost determining the degree of completion.

Revenue is reported net of discounts.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

k) Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company and its Indian subsidiaries will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

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 for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis.

The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

Notes forming part of the Consolidated Financial Statements

l) Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on foreign exchange forward, option and futures contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward, option and future contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the statement of profit and loss.

For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under foreign currency translation reserve.

m) Derivative instruments and hedge accounting

The Group uses foreign exchange forward, option and futures contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges.

The use of hedging instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the statement of profit and loss. The Group separates the intrinsic value and time value of an option and designates as hedging instruments only the fair value change in the intrinsic value of the option. The change in fair value of the time value of derivative instruments is accumulated in hedging reserve, a component of shareholders' funds and is transferred to statement of profit and loss when the forecast transaction occurs.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is transferred to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss.

n) 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 the lower of cost and net realisable value. Finished goods produced or purchased by the Group are carried at the lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

o) Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic and rational basis.

p) Provisions, Contingent liabilities and Contingent assets

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 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.

q) 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.

Notes forming part of the Consolidated Financial Statements

3) 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, 2016
Authorised	
(i) 460,05,00,000 equity shares of ₹ 1 each (March 31, 2015 : 420,05,00,000 equity shares of ₹ 1 each)	460.05
(ii) 105,02,50,000 redeemable preference shares of ₹ 1 each (March 31, 2015 : 105,02,50,000 redeemable preference shares of ₹ 1 each)	105.03
	<u>565.08</u>
Issued, Subscribed and Fully paid-up	
(i) 195,87,27,979 equity shares of ₹ 1 each (March 31, 2015 : 195,87,27,979 equity shares of ₹ 1 each)	195.87
(ii) Issued during the year (1,16,99,962 equity shares of ₹ 1 each)	1.17
	<u>197.04</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 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.

a) Reconciliation of number of shares

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount (₹ crores)	Number of shares	Amount (₹ crores)
Equity shares				
Opening balance	195,87,27,979	195.87	195,87,27,979	195.87
Issued during the year	1,16,99,962	1.17	-	-
Closing balance	<u>197,04,27,941</u>	<u>197.04</u>	<u>195,87,27,979</u>	<u>195.87</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. 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, 2016	As at March 31, 2015
Equity shares		
Holding company		
144,34,51,698 equity shares (March 31, 2015 : 144,34,51,698 equity shares) are held by Tata Sons Limited	144.35	144.35
Subsidiaries and Associates of Holding company		
3,63,700 equity shares (March 31, 2015 : 10,29,700 equity shares) are held by Tata Industries Limited	0.04	0.10
9,55,273 equity shares (March 31, 2015 : Nil equity shares) are held by Tata AIA Life Insurance Company Limited	0.10	-
5,90,452 equity shares (March 31, 2015 : 5,90,452 equity shares) are held by Tata Investment Corporation Limited	0.06	0.06
Nil equity shares (March 31, 2015 : 200 equity shares) are held by Tata Capital Limited *	-	-
83,232 equity shares (March 31, 2015 : 83,232 equity shares) are held by Tata International Limited	0.01	0.01
24,400 equity shares (March 31, 2015 : 24,400 equity shares) are held by Tata Steel Limited *	-	-
452 equity shares (March 31, 2015 : 452 equity shares) are held by The Tata Power Company Limited *	-	-
Total	144.56	144.52

*Equity shares having value less than ₹ 50,000.

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

	As at March 31, 2016	As at March 31, 2015
Equity shares		
Tata Sons Limited, the Holding company	144,34,51,698 73.26%	144,34,51,698 73.69%

e) 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 ('the Scheme') sanctioned by the High Court of Judicature at Bombay vide its Order dated September 6, 2013.

Notes forming part of the Consolidated Financial Statements

4) RESERVES AND SURPLUS

Reserves and surplus consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Capital reserve (on consolidation)		
(i) Opening balance	75.26	24.50
(ii) Addition during the year (net)	-	50.76
	<u>75.26</u>	<u>75.26</u>
(b) Capital redemption reserve		
(i) Opening balance	413.09	157.52
(ii) Transferred from surplus in statement of profit and loss*	110.48	255.57
	<u>523.57</u>	<u>413.09</u>
(c) Securities premium reserve	1918.87	1918.87
(d) Foreign currency translation reserve		
(i) Opening balance	1051.17	1547.78
(ii) Addition / (Deduction) during the year (net)	367.08	(496.61)
	<u>1418.25</u>	<u>1051.17</u>
(e) Hedging reserve (Refer Note 40)		
(i) Opening balance	150.75	29.64
(ii) (Deduction) / Addition during the year (net)	(93.98)	121.11
	<u>56.77</u>	<u>150.75</u>
(f) General reserve		
(i) Opening balance	7697.18	5742.39
(ii) Adjustment on amalgamation(Refer Note 29(a))	365.71	1.15
(iii) Transferred from surplus in statement of profit and loss	2303.77	1953.64
	<u>10366.66</u>	<u>7697.18</u>
(g) Statutory reserve		
(i) Opening balance	119.92	73.68
(ii) Transferred from surplus in statement of profit and loss	65.52	46.24
	<u>185.44</u>	<u>119.92</u>
(h) Surplus in statement of profit and loss		
(i) Opening balance	39012.65	39504.51
(ii) Add : Profit for the year	24291.82	19852.18
	<u>63304.47</u>	<u>59356.69</u>
(iii) Less : Appropriations		
(a) Interim dividends on equity shares	3251.22	10772.92
(b) Proposed final dividend on equity shares	5320.16	4700.95
(c) Tax on dividend	1653.34	2635.69
(d) Write back of tax on dividend of prior years	(18.72)	(20.97)
(e) Transferred to capital redemption reserve*	110.48	255.57
(f) Transferred to general reserve	2303.77	1953.64
(g) Transferred to statutory reserve	65.52	46.24
	<u>50618.70</u>	<u>39012.65</u>
	<u>65163.52</u>	<u>50438.89</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 ₹ 110.48 crores has been transferred to Capital redemption reserve during the year.

The Board of Directors at their meeting held on April 18, 2016 recommended a final dividend of ₹ 27 per equity share.

Notes forming part of the Consolidated Financial Statements

5) LONG-TERM BORROWINGS

Long-term borrowings consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Secured loans		
Long-term maturities of obligations under finance lease(Refer Note 35)	82.24	113.69
(b) Unsecured loans		
Borrowings from entity other than banks	0.29	0.58
	82.53	114.27

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

6) DEFERRED TAX BALANCES

Deferred tax balances consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Deferred tax liabilities (net)		
(i) Foreign branch profit tax	346.12	256.03
(ii) Depreciation and amortisation	24.22	25.11
(iii) Others	70.83	61.82
	441.17	342.96
(b) Deferred tax assets (net)		
(i) Depreciation and amortisation	(83.42)	(129.55)
(ii) Employee benefits	326.57	293.57
(iii) Operating lease liabilities	93.98	83.10
(iv) Provision for doubtful receivables, loans and advances	190.05	158.07
(v) Others	295.76	188.75
	822.94	593.94

7) OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Capital creditors	61.78	67.53
(b) Operating lease liabilities	379.49	344.51
(c) Others	303.83	412.98
	745.10	825.02

Others include advance taxes paid of ₹ 229.53 crores (March 31, 2015: ₹ 333.28 crores) by the seller of TCS e-serve Limited which, on refund by tax authorities, is payable to the seller.

8) LONG-TERM PROVISIONS

Long-term provisions consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits		
(i) Gratuity	3.04	21.50
(ii) Foreign defined benefit plans	170.12	140.42
(iii) Other post retirement benefits	63.64	41.47
(b) Provision for foreseeable loss on a long-term contract	40.48	94.48
	277.28	297.87

Notes forming part of the Consolidated Financial Statements

9) SHORT-TERM BORROWINGS

Short-term borrowings consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Secured loans		
Overdraft from banks	111.80	-
(b) Unsecured loans		
Overdraft from bank	1.16	185.56
	112.96	185.56

Secured overdrafts from banks are secured against trade receivables.

10) OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of long-term debt	0.29	0.47
(b) Current maturities of obligations under finance lease (Refer Note 35)	49.05	57.40
(c) Interest accrued but not due on borrowings	0.15	0.48
(d) Income received in advance	1358.86	1062.31
(e) Unclaimed dividends	21.11	19.77
(f) Advance received from customers	164.23	130.76
(g) Operating lease liabilities	79.87	57.50
(h) Fair values of foreign exchange forward, option and future contracts secured against trade receivables	152.43	19.75
(i) Statutory liabilities	1378.59	1143.66
(j) Capital creditors	331.02	337.41
(k) Liabilities for cost related to customer contracts	881.55	727.79
(l) Liabilities for purchase of government securities	804.86	-
(m) Other payables	135.44	89.29
	5357.45	3646.59

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

11) SHORT-TERM PROVISIONS

Short-term provisions consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits	1635.30	1356.15
(b) Proposed final dividend on equity shares	5320.16	4700.95
(c) Tax on dividend	1088.13	947.68
(d) Current income taxes (net)	806.75	547.34
(e) Provision for foreseeable loss on a long-term contract	114.83	103.04
	8965.17	7655.16

Provision for employee benefits includes provision for compensated absences and other short-term employee benefits.

Notes forming part of the Consolidated Financial Statements

12) FIXED ASSETS

Fixed assets consist of the following:

(i) Tangible assets

Description	Freehold land	Leasehold land	Freehold buildings	Factory buildings	Leasehold buildings	Leasehold Improvements	Plant and machinery	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Gross block as at April 1, 2015	347.26	217.59	4812.98	2.77	14.62	1678.04	126.68	5072.69	28.37	1768.86	1294.77	1259.32	16623.95
Additions	346.13	216.58	3508.02	2.77	14.62	1289.89	10.29	4166.29	27.80	1513.11	1050.35	1016.55	13162.40
Assets acquired on acquisition	-	-	1285.34	-	-	185.87	193.08	654.86	8.02	246.37	335.24	192.55	3101.33
	0.30	1.01	1302.64	-	-	260.68	116.40	964.06	4.72	237.28	245.36	255.84	3388.29
Deletions / Adjustments	-	-	-	-	-	164.04	-	71.98	-	31.37	4.52	0.74	272.65
	(0.18)	-	(0.03)	(0.82)	(0.46)	(38.08)	-	(168.05)	(4.26)	(17.36)	(12.39)	(19.55)	(261.18)
Translation exchange difference	-	-	(0.34)	-	-	1.94	(0.01)	(65.49)	(3.95)	(10.15)	(0.82)	0.70	(78.12)
	1.21	-	3.94	-	-	17.11	-	30.33	0.06	10.96	1.52	4.41	69.54
	0.83	-	2.66	-	-	(38.51)	-	(64.15)	(0.20)	(2.75)	(4.64)	(14.51)	(121.27)
Gross block as at March 31, 2016	348.29	217.59	6102.23	1.95	14.16	1842.94	319.76	5589.83	32.19	2008.83	1619.14	1436.73	19533.64
Accumulated depreciation as at April 1, 2015	347.26	217.59	4812.98	2.77	14.62	1678.04	126.68	5072.69	28.37	1768.86	1294.77	1259.32	16623.95
	-	(19.35)	(502.74)	(1.51)	(13.04)	(805.04)	(16.25)	(3541.19)	(19.80)	(966.99)	(486.58)	(875.34)	(7247.83)
Depreciation for the year	-	(16.28)	(602.45)	(1.43)	(12.63)	(634.31)	(10.27)	(2894.92)	(17.78)	(672.31)	(484.14)	(781.07)	(6127.59)
Deletions / Adjustments	-	(3.07)	(311.96)	(0.05)	(0.41)	(200.35)	(22.33)	(765.64)	(4.87)	(289.46)	(165.65)	(126.18)	(1889.97)
	-	(3.07)	100.13	(0.08)	(0.41)	(182.39)	(5.99)	(743.06)	(6.03)	(301.35)	(3.97)	(100.98)	(1247.20)
Translation exchange difference	-	-	0.03	0.28	0.46	29.24	-	167.60	4.24	16.51	7.35	18.17	243.88
	-	-	0.08	-	-	0.18	0.01	61.57	3.82	6.41	0.41	1.65	74.13
Translation exchange difference	-	-	(0.88)	-	-	(4.47)	-	(14.59)	(0.09)	(5.75)	(2.55)	(4.78)	(33.11)
	-	-	(0.50)	-	-	11.48	-	35.22	0.19	0.26	1.12	5.06	52.83
Accumulated depreciation as at March 31, 2016	-	(22.42)	(815.55)	(1.28)	(12.99)	(980.62)	(38.58)	(4153.82)	(20.52)	(1245.69)	(647.43)	(988.13)	(8927.03)
	-	(19.35)	(502.74)	(1.51)	(13.04)	(805.04)	(16.25)	(3541.19)	(19.80)	(966.99)	(486.58)	(875.34)	(7247.83)
Net book value as at March 31, 2016	348.29	195.17	5286.68	0.67	1.17	862.32	281.18	1436.01	11.67	763.14	971.71	448.60	10606.61
	347.26	198.24	4310.24	1.26	1.58	873.00	110.43	1531.50	8.57	801.87	808.19	383.98	9376.12

Notes forming part of the Consolidated Financial Statements

12) FIXED ASSETS (contd.)

(ii) Intangible assets

(₹ crores)

Description	Goodwill on acquisition	Acquired contract rights	Intellectual property / distribution rights	Rights under licensing agreement and software licenses	Total
Gross block as at April 1, 2015	303.55	233.90	13.45	141.20	692.10
	<i>327.64</i>	<i>252.46</i>	<i>13.51</i>	<i>141.40</i>	<i>735.01</i>
Additions	-	-	-	2.56	2.56
	-	-	-	<i>1.97</i>	<i>1.97</i>
Deletions / Adjustments	-	-	-	(0.08)	(0.08)
	-	-	-	<i>(0.17)</i>	<i>(0.17)</i>
Translation exchange difference	9.14	7.04	-	0.25	16.43
	<i>(24.09)</i>	<i>(18.56)</i>	<i>(0.06)</i>	<i>(2.00)</i>	<i>(44.71)</i>
Gross block as at March 31, 2016	312.69	240.94	13.45	143.93	711.01
	<i>303.55</i>	<i>233.90</i>	<i>13.45</i>	<i>141.20</i>	<i>692.10</i>
Accumulated amortisation as at April 1, 2015	(228.16)	(175.85)	(13.11)	(106.15)	(523.27)
	<i>(218.97)</i>	<i>(168.76)</i>	<i>(12.43)</i>	<i>(94.11)</i>	<i>(494.27)</i>
Amortisation for the year	(26.99)	(20.80)	(0.10)	(10.10)	(57.99)
	<i>(26.91)</i>	<i>(20.74)</i>	<i>(0.68)</i>	<i>(13.41)</i>	<i>(61.74)</i>
Deletions / Adjustments	-	-	-	0.08	0.08
	-	-	-	-	-
Translation exchange difference	(5.93)	(4.57)	-	0.02	(10.48)
	<i>17.72</i>	<i>13.65</i>	-	<i>1.37</i>	<i>32.74</i>
Accumulated amortisation as at March 31, 2016	(261.08)	(201.22)	(13.21)	(116.15)	(591.66)
	<i>(228.16)</i>	<i>(175.85)</i>	<i>(13.11)</i>	<i>(106.15)</i>	<i>(523.27)</i>
Net book value as at March 31, 2016	51.61	39.72	0.24	27.78	119.35
	<i>75.39</i>	<i>58.05</i>	<i>0.34</i>	<i>35.05</i>	<i>168.83</i>

(iii) Capital work-in-progress

(₹ crores)

Description	Total
Capital work-in-progress	1,671.20
	<i>2766.37</i>

Previous years' figures are in italics.

Notes

- (i) Freehold buildings include ₹ 2.67 crores (March 31, 2015: ₹ 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- (ii) Legal formalities relating to conveyance of freehold buildings having net book value ₹ - * crores (March 31, 2015: ₹ 5.18 crores) are pending completion.
- (iii) Net book value of computer equipment of ₹ 44.76 crores (March 31, 2015: ₹ 78.84 crores), leasehold improvements of ₹ 46.18 crores (March 31, 2015: ₹ 56.65 crores), office equipment of ₹ 1.41 crores (March 31, 2015: ₹ 2.11 crores) and electrical installations of ₹ 2.20 crores (March 31, 2015: ₹ 3.01 crores) are under finance lease.
- (iv) In previous year fixed assets acquired on acquisition of IT Frontier Corporation which was renamed as Tata Consultancy Services Japan, Ltd., include Capital work-in-progress of ₹ 54.77 crores, which was subsequently capitalised.

*Values less than ₹ 50,000.

Notes forming part of the Consolidated Financial Statements

13) NON-CURRENT INVESTMENTS

Non-current investments consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) TRADE INVESTMENTS (at cost)		
Fully paid equity shares (unquoted)		
National Power Exchange Limited	1.40	1.40
Philippine Dealing System Holdings Corporation	5.96	5.63
Taj Air Limited	19.00	19.00
ALMC HF*	-	-
KOOH Sports Private Limited	3.00	3.00
Rural Shores Business Services Private Limited*	-	-
FCM LLC	49.68	46.93
Fully paid preference shares (unquoted)		
Rural Shores Business Services Private Limited	25.00	25.00
Mozido LLC	66.25	62.58
Fully paid equity shares (quoted)		
Yodlee, Inc.	-	-
(46,386 equity shares exchanged for 8,762 shares of Envestnet Inc. and cash consideration)		
Lyondell Basell Industries N.V.	0.01	-
(b) OTHER INVESTMENTS		
Debentures and bonds (unquoted)	0.12	0.12
Mutual funds and other funds (unquoted)	57.55	7.04
	227.97	170.70
Less: Provision for diminution in value of investments	(1.52)	(1.52)
	226.45	169.18
(i) Market value of quoted investments	0.01	3.91
(ii) Book value of quoted investments	0.01	-
(iii) Book value of unquoted investments (net of provision)	226.44	169.18

* Non-current investments having a value of less than ₹ 50,000.

14) LONG-TERM LOANS AND ADVANCES

Long-term loans and advances consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Secured, considered good		
Loans and advances to employees	-	0.15
(b) Unsecured, considered good		
(i) Capital advances	187.13	206.71
(ii) Security deposits	729.72	665.02
(iii) Loans and advances to employees	7.49	8.90
(iv) Loans and advances to related parties	3.13	3.13
(v) Advance tax (including refunds receivable) (net)	4464.21	4092.34
(vi) MAT credit entitlement	1981.52	1899.76

Notes forming part of the Consolidated Financial Statements

14) LONG-TERM LOANS AND ADVANCES (contd.)

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(vii) Indirect tax recoverable	20.66	52.49
(viii) Inter-corporate deposits	2464.00	1572.00
(ix) Prepaid expenses	447.78	534.25
(x) Other amounts recoverable in cash or kind or for value to be received	89.84	120.17
(c) Unsecured, considered doubtful		
Security deposits	0.32	0.31
Less : Provision for doubtful security deposits	(0.32)	(0.31)
	<u>10395.48</u>	<u>9154.92</u>
Loans and advances to related parties comprise:		
Tata Sons Limited	2.74	2.74
Tata Realty and Infrastructure Limited	0.39	0.39

15) OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Interest receivable	72.74	24.37
(b) Long-term bank deposits	415.00	500.08
(c) Earmarked balances with banks	86.38	0.41
(d) Others	0.29	0.44
	<u>574.41</u>	<u>525.30</u>

16) CURRENT INVESTMENTS

Current investments consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Fully paid equity shares (quoted)		
Envestnet Inc.	-	-
(8,762 shares received in exchange of 46,386 equity shares of Yodlee, Inc. which were sold subsequently during the year)		
(b) Mutual funds and other funds (unquoted)	1695.76	1492.60
(c) Government securities (quoted)	20171.95	-
(d) Certificate of deposits (unquoted)	491.44	-
	<u>22359.15</u>	<u>1492.60</u>
(i) Market value of quoted investments	20253.65	-
(ii) Book value of quoted investments	20171.95	-
(iii) Book value of unquoted investments	2187.20	1492.60

Mutual funds include ₹ 282.11 crores (March 31, 2015: ₹ Nil) held by TCS Foundation, formed for conducting corporate social responsibility activities of the Group.

Notes forming part of the Consolidated Financial Statements

17) INVENTORIES

Inventories consist of the following:

	As at March 31, 2016	As at March 31, 2015
(a) Raw materials, sub-assemblies and components	8.71	10.36
(b) Finished goods and Work-in-progress	0.08	2.16
(c) Goods-in-transit (raw materials)	0.20	1.81
(d) Stores and spares	7.28	1.74
	16.27	16.07

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

18) UNBILLED REVENUE

Unbilled revenue as at March 31, 2016, amounting to ₹ 3991.74 crores (March 31, 2015 : ₹ 3827.08 crores) primarily includes revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

19) TRADE RECEIVABLES

Trade receivables (Unsecured) consist of the following:

	As at March 31, 2016	As at March 31, 2015
(a) Over six months from the date they were due for payment		
(i) Considered good	1592.25	1469.78
(ii) Considered doubtful	573.13	422.94
(b) Others		
(i) Considered good	22477.46	18968.16
(ii) Considered doubtful	0.58	24.67
	24643.42	20885.55
Less: Provision for doubtful receivables	(573.71)	(447.61)
	24069.71	20437.94

20) CASH AND BANK BALANCES

Cash and bank balances consist of the following:

	As at March 31, 2016	As at March 31, 2015
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	2156.02	1443.19
In deposit accounts with original maturity less than three months	2881.01	352.86
(ii) Cheques on hand	25.49	50.85
(iii) Cash on hand	1.39	1.43
(iv) Remittances in transit	1228.15	13.56
	6292.06	1861.89
(b) Other bank balances		
(i) Earmarked balances with banks	439.96	312.67
(ii) Short-term bank deposits	52.74	16381.48
	6784.76	18556.04

Notes forming part of the Consolidated Financial Statements

21) SHORT-TERM LOANS AND ADVANCES

Short-term loans and advances consist of the following:

	(₹ crores)
	As at March 31, 2016
	As at March 31, 2015
(a) Secured, considered good	
Loans and advances to employees	-
(b) Unsecured, considered good	
(i) Loans and advances to employees	1021.40
(ii) Loans and advances to related parties	0.90
(iii) Advance tax (including refunds receivable) (net)	31.68
(iv) MAT credit entitlement	5.00
(v) Security deposits	142.58
(vi) Indirect tax recoverable	340.15
(vii) Inter-corporate deposits	1698.00
(viii) Prepaid expenses	1376.03
(ix) Advance to Suppliers	240.01
(x) Fair values of foreign exchange forward, option and future contracts	537.24
(xi) Other amounts recoverable in cash or kind or for value to be received	189.36
(c) Unsecured, considered doubtful	
(i) Loans and advances to employees	56.32
(ii) Security deposits	2.27
(iii) Indirect tax recoverable	1.74
(iv) Advance to suppliers	3.07
(v) Other amounts recoverable in cash or kind or for value to be received	3.59
Less : Provision for doubtful loans and advances	(66.99)
	5582.35
	4146.45
Loans and advances to related parties comprise:	
Tata AIG General Insurance Company Limited	0.06
Taj Air Limited	0.84

22) OTHER CURRENT ASSETS

Other current assets consist of the following:

	(₹ crores)
	As at March 31, 2016
	As at March 31, 2015
(a) Interest receivable	202.76
(b) Others	60.65
	263.41
	336.82

Notes forming part of the Consolidated Financial Statements

23) OTHER INCOME (NET)

Other income (net) consist of the following:

	(₹ crores)	
	2016	2015
(a) Interest income	1715.53	1596.61
(b) Dividend income	11.26	9.49
(c) Profit on redemption of mutual funds, sale of government securities and other investments (net)	471.89	233.10
(d) Rent	24.51	18.45
(e) Profit on sale of fixed assets (net)	4.86	2.54
(f) Exchange gain (net)	743.26	1308.47
(g) Miscellaneous income	82.56	61.25
	3053.87	3229.91
Interest income comprise :		
Interest on bank deposits	1455.24	1198.85
Interest on inter-corporate deposits	202.97	272.07
Interest on bonds, government securities and debentures (non- current)	-	120.99
Interest on bonds, government securities and debentures (current)	31.64	-
Interest on cerficate of deposits	1.18	-
Others	24.50	4.70
Dividend income comprise:		
From other long-term investment	1.33	-
From current investments (mutual funds)	9.93	9.49
Profit on redemption of mutual funds, sale of government securities and other investments (net) comprise:		
From other long-term investments (net)	5.37	24.78
From current investments (net)	466.52	208.32
Exchange gain (net) include:		
Gain on foreign exchange forward and currency option contracts which have been designated as Cash Flow Hedges (Refer Note 40)	5.11	344.60

24) EMPLOYEE BENEFIT EXPENSE

Employee benefit expense consist of the following:

	(₹ crores)	
	2016	2015
(a) Salaries and incentives (Refer Note 43)	36535.94	34063.91
(b) Contributions to:(Refer Note 31)		
(i) Provident fund and pension fund	679.83	606.47
(ii) Superannuation scheme	248.91	222.44
(iii) Gratuity fund	327.00	305.62
(iv) Social security and other plans for overseas employees	1744.51	1519.76
(c) Staff welfare expenses	2232.89	1982.95
	41769.08	38701.15

Notes forming part of the Consolidated Financial Statements

25) OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	(₹ crores)	
	2016	2015
(a) Overseas business expenses	14839.99	13363.91
(b) Services rendered by business associates and others	7947.99	6220.25
(c) Software, hardware and material costs	4613.82	3835.83
(d) Communication expenses	1107.31	1056.06
(e) Travelling and conveyance expenses	1502.43	1261.25
(f) Rent	1693.85	1569.46
(g) Legal and professional fees	639.83	596.30
(h) Repairs and maintenance	730.26	705.00
(i) Electricity expenses	572.74	573.87
(j) Bad debts written-off (net)	10.03	12.46
(k) Advances written-off (net)	2.83	0.25
(l) Provision for doubtful receivables (net)	115.58	158.60
(m) Provision for doubtful advances (net)	6.23	6.42
(n) Recruitment and training expenses	364.20	360.94
(o) Diminution in value of investments (net)	-	1.40
(p) Printing and stationery	101.42	97.76
(q) Insurance	75.25	70.41
(r) Rates and taxes	186.50	119.08
(s) Entertainment	80.50	71.93
(t) Other expenses	1696.58	1384.37
	36287.34	31465.55
(i) Overseas business expenses comprise:		
Travel expenses	1161.34	1140.71
Employee allowances	13678.65	12223.20
(ii) Repairs and maintenance includes:		
Buildings	273.65	267.25
Office and computer equipment	448.96	427.95

26) FINANCE COSTS

Finance costs consist of the following:

	(₹ crores)	
	2016	2015
Interest expense	19.83	104.19
	19.83	104.19

27) Current tax is adjusted for the effect of additional provision (net) of ₹ 20.52 crores (March 31, 2015: write back of provision (net) ₹ 28.79 crores) in domestic and certain overseas jurisdictions relating to earlier years. The impact of MAT entitlement of earlier period is ₹ 89.24 crores (March 31, 2015: ₹ 8.83 crores).

Notes forming part of the Consolidated Financial Statements

28) (a) STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST

Name of the entity	Country of incorporation	% of voting power as at March 31,2016	% of voting power as at March 31,2015	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
				As % of consolidated net assets	Amount (₹ crores)	As % of consolidated profit or loss	Amount (₹ crores)
Tata Consultancy Services Limited	India	-	-	83.73	58866.86	91.01	22882.70
Subsidiaries (held directly)							
Indian							
APTOnline Limited (formerly APOne Limited)	India	89.00	89.00	0.06	45.35	0.12	31.29
MP Online Limited	India	89.00	89.00	0.08	53.62	0.06	14.63
C-Edge Technologies Limited	India	51.00	51.00	0.14	96.75	0.13	33.66
MahaOnline Limited	India	74.00	74.00	0.06	41.31	0.04	10.01
TCS e-Serve International Limited	India	100.00	100.00	0.26	181.86	0.04	10.59
TCS Foundation(w.e.f. 25.03.2015)	India	100.00	100.00	0.39	275.73	0.51	129.29
CMC Limited (Refer Note 29(a))	India	-	51.12	-	-	-	-
Foreign							
Diligenta Limited	UK	100.00	100.00	0.82	577.10	(0.27)	(66.82)
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00	0.56	391.21	0.81	203.99
Tata America International Corporation	USA	100.00	100.00	3.25	2281.82	2.89	727.84
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00	0.72	504.26	0.72	180.23
Tata Consultancy Services Belgium S.A.	Belgium	100.00	100.00	0.25	175.03	0.18	45.12
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00	0.16	113.65	0.23	58.55
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00	2.40	1685.45	1.00	250.77
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00	0.30	209.82	0.26	64.82
TCS FNS Pty Limited	Australia	100.00	100.00	0.23	163.83	-	-
TCS Iberoamerica SA	Uruguay	100.00	100.00	1.61	1132.75	0.29	73.14
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.01	6.40	0.02	3.97
CMC Americas Inc. (w.e.f. 01.04.2015)	USA	100.00	100.00	0.19	132.34	0.30	75.55
Tata Consultancy Services Qatar S.S.C.	Qatar	100.00	100.00	0.08	57.96	0.08	18.94
Subsidiaries (held indirectly)							
Foreign							
CMC eBiz Inc.	USA	100.00	100.00	-	0.17	-	0.11
TCS e-Serve America, Inc.	USA	100.00	100.00	0.02	15.26	(0.05)	(12.00)
Diligenta 2 Limited	UK	100.00	100.00	0.11	74.62	-	0.04
MS CJV Investments Corporation	USA	100.00	100.00	0.01	9.30	-	-
Tata Consultancy Services (China) Co., Ltd.	China	90.00	90.00	0.22	154.59	0.09	22.44
Tata Consultancy Services Japan, Ltd.	Japan	51.00	51.00	1.11	791.80	0.40	90.31
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00	0.13	89.69	0.14	36.27
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00	0.04	27.90	0.05	11.87
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00	0.22	156.10	0.10	25.85

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Notes forming part of the Consolidated Financial Statements

28) (a) STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST (contd.)

Name of the entity	Country of incorporation	% of voting power as at March 31,2016	% of voting power as at March 31,2015	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
				As % of consolidated net assets	Amount (₹ crores)	As % of consolidated profit or loss	Amount (₹ crores)
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00	0.01	10.24	-	0.46
TCS Italia SRL	Italy	100.00	100.00	-	0.53	(0.03)	(8.54)
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00	0.04	29.56	0.06	13.99
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00	0.25	173.67	0.33	82.64
Tata Consultancy Services France S.A.S	France	100.00	100.00	(0.08)	(54.87)	(0.06)	(15.35)
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00	-	3.02	-	0.07
Tata Consultancy Services Danmark ApS	Denmark	100.00	100.00	0.06	42.24	-	0.27
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00	-	1.29	(0.03)	(7.14)
Tata Consultancy Services Portugal Unipessoal Limitada	Portugal	100.00	100.00	(0.02)	(12.60)	(0.02)	(4.07)
Alti S.A.	France	100.00	100.00	(0.26)	(181.42)	(0.69)	(174.23)
Alti HR S.A.S.	France	100.00	100.00	0.02	12.19	-	(0.29)
Tescom (France) Software Systems Testing S.A.R.L.	France	100.00	100.00	(0.01)	(5.70)	-	0.49
Alti Switzerland S.A.	Switzerland	100.00	100.00	0.02	11.11	0.01	1.49
Alti Infrastructures Systemes & Reseaux S.A.S.	France	100.00	100.00	-	1.79	-	0.45
Alti NV	Belgium	100.00	100.00	0.02	12.46	(0.04)	(8.83)
Teamlink	Belgium	100.00	100.00	-	(0.13)	-	(0.02)
Planaxis Technologies Inc.	Canada	100.00	100.00	0.07	46.80	(0.03)	(6.85)
Tata Consultancy Services Saudi Arabia (Refer Note 29(b))	Saudi Arabia	76.00	-	0.01	6.15	-	(0.48)
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	75.00	75.00	0.10	69.71	0.08	19.84
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00	(0.01)	(5.27)	0.05	12.75
TCS Financial Solutions Australia Holdings Pty Limited	Australia	100.00	100.00	0.07	50.27	-	-
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00	0.14	95.35	0.24	59.86
PT Financial Network Services	Indonesia	100.00	100.00	-	(1.09)	-	-
TCS Solution Center S.A.	Uruguay	100.00	100.00	0.07	47.22	(0.07)	(17.73)
TCS Uruguay S.A.	Uruguay	100.00	100.00	0.10	73.10	0.24	60.96
Tata Consultancy Services Argentina S.A.	Argentina	99.99	99.99	(0.03)	(23.70)	(0.25)	(61.74)
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00	0.03	23.84	(0.07)	(17.50)
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00	0.54	376.29	0.25	64.08
MGDC S.C.	Mexico	100.00	100.00	0.13	89.56	0.10	26.15
TCS Inversiones Chile Limitada	Chile	99.99	99.99	0.45	313.73	-	1.20

Notes forming part of the Consolidated Financial Statements

28) (a) STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST (contd.)

Name of the entity	Country of incorporation	% of voting power as at March 31,2016	% of voting power as at March 31,2015	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
				As % of consolidated net assets	Amount (₹ crores)	As % of consolidated profit or loss	Amount (₹ crores)
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00	0.86	604.31	0.39	99.10
Technology Outsourcing S.A.C (Refer Note 29(c))	Peru	100.00	-	0.01	9.56	(0.01)	(1.51)
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00	0.25	172.33	0.40	100.09
TOTAL				100.00	70304.07	100.00	25142.77
a) Adjustments arising out of consolidation					(4441.28)		(767.83)
b) Minority Interest							
Indian Subsidiaries							
APOnline Limited (formerly APOne Limited)					(7.35)		(3.44)
MP Online Limited					(6.44)		(1.61)
C-Edge Technologies Limited					(55.50)		(17.24)
MahaOnline Limited					(10.74)		(2.60)
Foreign Subsidiaries							
Tata Consultancy Services Saudi Arabia					(1.36)		0.23
Tata Consultancy Services (China) Co., Ltd.					(15.46)		(2.25)
Tata Consultancy Services Japan, Ltd.					(387.98)		(51.25)
Tata Consultancy Services (South Africa) (PTY) Ltd.					(17.40)		(4.96)
TOTAL					(502.23)		(83.12)
Consolidated Net Assets / Profit after tax					65360.56		24291.82

(b) The contribution of the subsidiaries acquired and incorporated during the year is as under:

(₹ crores)

Name of Subsidiary	Revenue	Net loss	Net Assets
Technology Outsourcing S.A.C.	29.26	1.22	9.56
Tata Consultancy Services Saudi Arabia	-	0.47	6.15

29) ACQUISITIONS / DIVESTMENTS

- CMC Limited, a subsidiary, amalgamated with the Company, with effect from April 1, 2015 ("the appointed date") in accordance with the 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 Company issued 1,16,99,962 equity shares to the shareholders of CMC Limited pursuant to the Scheme. As a result of the amalgamation, adjustments to goodwill on consolidation and minority interest have been recorded in general reserve.
- On July 2, 2015, the Company through its wholly owned subsidiary, Tata Consultancy Services Netherlands BV subscribed to 76 percent share capital of Tata Consultancy Services Saudi Arabia.
- On October 30, 2015, the Company through its wholly owned subsidiaries TCS Inversiones Chile Limitada and Tata Consultancy Services Chile S.A. subscribed to 100 percent share capital of Technology Outsourcing S.A.C., an information technology services provider in Peru .

Notes forming part of the Consolidated Financial Statements

30) The Company has given letter of comfort to various banks for credit and/or foreign exchange hedging facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Switzerland Ltd., (c) Tata Consultancy Services Sverige AB, (d) Tata Consultancy Services Belgium S.A., (e) Tata Consultancy Services Deutschland GmbH, (f) Tata Consultancy Services Netherlands BV (g) Tata Consultancy Services Asia Pacific Pte Ltd., (h) TCS Italia SRL, (i) Tata Consultancy Services France S.A.S., (j) Tata Consultancy Services Malaysia Sdn Bhd, and (k) Tata Consultancy Services Luxembourg S.A. 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.

31) EMPLOYEE RETIREMENT BENEFITS**a) Defined contribution plans**

The Company and its subsidiaries make Provident fund, Superannuation fund and foreign defined contribution fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company and its subsidiaries are required to contribute a specified percentage of the payroll costs to fund the benefits. In case of Provident Fund, the contributions as specified under the law are paid to the Provident Fund where set up as a trust and to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme in other cases in India and to the administrator of funds in case of foreign contribution plans. In respect of Provident fund contributions to trusts set up for this purpose, the Company and its subsidiaries are generally liable for annual contribution and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952. In addition to such contributions the Company also recognises potential deficiency in interest, if any, computed as per actuarial valuation of interest as an expense in the year it is determined.

As of March 31, 2016, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 9743.90 crores and ₹ 9126.96 crores respectively, in respect of provident fund managed by trusts. 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 of 8.80%. The actuarial assumptions include discount rate of 7.75% and an average expected future period of 8 years.

The Group recognised ₹ 679.83 crores (March 31, 2015: ₹ 606.47 crores) for provident fund and pension fund contributions and ₹ 248.91 crores (March 31, 2015: ₹ 222.44 crores) for superannuation contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group has contributed ₹ 816.51 crores (March 31, 2015: ₹ 715.25 crores) towards other foreign defined contribution plans.

b) Defined benefit plans

The Company and its subsidiaries in India provide to the eligible employees defined benefit plans such as gratuity, post retirement medical benefit, post retirement vacation 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 or part thereof in excess of six months. Vesting occurs upon completion of five years of service. Certain overseas subsidiaries of the Company also provide for retirement benefit plans in accordance with the local laws.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

Notes forming part of the Consolidated Financial Statements

The following table set out the funded and unfunded status of the retirement benefit plans and the amounts recognised in the financial statements:

(₹ crores)

	Indian		Foreign		Consolidated
	Funded	Unfunded	Funded	Unfunded	
	As at March 31,2016	As at March 31,2016	As at March 31,2016	As at March 31,2016	As at March 31,2016
i) Change in benefit obligations:					
Projected benefit obligation, beginning of the year	1295.20	1.71	686.20	53.05	2036.16
	1017.55	1.24	429.19	33.85	1481.83
Service cost	201.61	0.46	23.76	12.21	238.04
	165.85	0.33	17.15	12.88	196.21
Interest cost	104.69	0.14	14.15	1.81	120.79
	98.57	0.11	16.33	1.87	116.88
Acquisitions	-	-	-	-	-
	-	-	178.86	-	178.86
Actuarial loss / (gain)	149.19	0.55	(16.07)	(0.44)	133.23
	131.09	0.11	111.74	11.29	254.23
Plan participants' contributions	-	-	6.33	-	6.33
	-	-	6.67	-	6.67
Exchange loss / (gain) / adjustments	-	-	52.78	3.85	56.63
	-	-	(62.84)	(4.45)	(67.29)
Past service cost / (credit)	13.38	-	-	(2.18)	11.20
	0.20	-	-	(1.36)	(1.16)
Benefits paid	(131.25)	(0.06)	(22.63)	(1.25)	(155.19)
	(118.06)	(0.08)	(10.90)	(1.03)	(130.07)
Projected benefit obligation, end of the year	1632.82	2.80	744.52	67.05	2447.19
	1295.20	1.71	686.20	53.05	2036.16
ii) Change in plan assets:					
Fair value of plan assets, beginning of the year	1453.14	-	669.23	-	2122.37
	860.22	-	388.87	-	1249.09
Expected return on plan assets	116.25	-	16.73	-	132.98
	84.70	-	16.92	-	101.62
Plan participants' contributions	-	-	6.33	-	6.33
	-	-	6.67	-	6.67
Acquisition	-	-	-	-	-
	-	-	241.77	-	241.77
Employers' contributions	281.82	-	28.20	-	310.02
	620.34	-	25.00	-	645.34
Exchange (loss) / gain	-	-	52.89	-	52.89
	-	-	(63.52)	-	(63.52)
Benefits paid	(131.25)	-	(22.63)	-	(153.88)
	(118.06)	-	(10.90)	-	(128.96)
Actuarial gain / (loss)	26.77	-	(19.47)	-	7.30
	5.94	-	64.42	-	70.36
Fair value of plan assets, end of the year	1746.73	-	731.28	-	2478.01
	1453.14	-	669.23	-	2122.37
Excess / (Deficit) of plan assets over obligation (net)	113.91	(2.80)	(13.24)	(67.05)	30.82
	157.94	(1.71)	(16.97)	(53.05)	86.21
Unrecognised asset due to assets ceiling	-	-	(65.81)	-	(65.81)
	-	-	(69.95)	-	(69.95)
iii) Excess / (Deficit) of plan assets over obligation (net)	113.91	(2.80)	(79.05)	(67.05)	(34.99)
	157.94	(1.71)	(86.92)	(53.05)	16.26

Notes forming part of the Consolidated Financial Statements

(₹ crores)

	Indian		Foreign		Consolidated
	Funded	Unfunded	Funded	Unfunded	
	2016	2016	2016	2016	2016
iv) Net gratuity and other retirement benefit cost:					
Service cost	201.61	0.46	23.76	12.21	238.04
	165.85	0.33	17.15	12.88	196.21
Interest on defined benefit obligation	104.69	0.14	14.15	1.81	120.79
	98.57	0.11	16.33	1.87	116.88
Expected return on plan assets	(116.25)	-	(16.73)	-	(132.98)
	(84.70)	-	(16.92)	-	(101.62)
Past service cost / (credit)	13.38	-	-	(2.18)	11.20
	0.20	-	-	(1.36)	(1.16)
Net actuarial loss / (gain) recognised during the year	122.42	0.55	(9.21)	(0.44)	113.32
	125.15	0.11	62.92	11.29	199.47
Net gratuity and other retirement benefit cost	325.85	1.15	11.97	11.40	350.37
	305.07	0.55	79.48	24.68	409.78
Actual return on plan assets	143.02	-	(2.74)	-	140.28
	90.64	-	81.34	-	171.98

(₹ crores)

	Indian	Foreign	Consolidated
	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016
v) Category of assets:			
Corporate bonds	311.69	99.02	410.71
	174.55	121.19	295.74
Equity shares	42.67	51.21	93.88
	-	134.08	134.08
Index linked bonds	-	113.01	113.01
	-	107.52	107.52
Insurer managed funds	736.68	197.52	934.20
	748.90	172.27	921.17
Bank balances	97.62	270.52	368.14
	217.33	5.89	223.22
Government Securities	499.93	-	499.93
	265.55	99.42	364.97
Others	58.14	-	58.14
	46.81	28.86	75.67
Total	1746.73	731.28	2478.01
	1453.14	669.23	2122.37

vi) Assumptions used in accounting for defined benefit plan

	Indian	Foreign
	As at March 31, 2016	As at March 31, 2016
Discount rate	7.50%-7.75%	0.40%-7.13%
	8.00%	0.87%-6.75%
Salary escalation rate	6.00%-10.00%	1.25%-4.64%
	6.00%-7.00%	1.00%-4.64%
Expected rate of return on plan assets	7.50%-7.75%	0.40%-7.13%
	8.00%	0.87%-3.30%

Notes forming part of the Consolidated Financial Statements

The estimate of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company and its subsidiaries policy for plan asset management.

(₹ crores)

Indian					
	2016	2015	2014	2013	2012
Experience adjustment					
On plan liability loss/(gain)	76.23	31.50	55.10	(17.78)	44.05
On plan asset gain	26.77	5.94	22.22	4.06	6.61
Present value of benefit obligation	1635.62	1,296.91	1018.79	882.75	724.70
Fair value of plan assets	1746.73	1,453.14	860.22	623.58	569.23
Excess/(Deficit) of plan assets over obligation (net)	111.11	156.23	(158.57)	(259.17)	(155.47)

(₹ crores)

Foreign					
	2016	2015	2014	2013	2012
Experience adjustment					
On plan liability (gain)/loss	(3.76)	5.05	(3.06)	(2.11)	(0.38)
On plan asset (loss)/gain	(19.47)	64.42	(8.90)	13.74	4.16
Present value of benefit obligation	811.57	739.25	463.04	354.97	273.68
Fair value of plan assets	731.28	669.23	388.87	312.58	269.29
Unrecognised asset due to assets ceiling	(65.81)	(69.95)	-	-	-
Excess of obligation over plan assets (net)	(146.10)	(139.97)	(74.17)	(42.39)	(4.39)

The expected contributions are based on the same assumptions used to measure Group's defined benefit obligations as at March 31, 2016. The Group is expected to contribute ₹ 114.23 crores to defined benefit plans for the year ended March 31, 2017, comprising domestic component of ₹ 102.86 crores and foreign component of ₹ 11.37 crores.

Previous years' figures are in italics.

32) SEGMENT REPORTING

The Group has identified business segments (industry practice) as its primary segment and geographic segments as its secondary segment.

Business segments comprise banking, finance and insurance services, manufacturing, retail and consumer packaged goods, telecom, media and entertainment and others such as energy, resources and utilities, Hi-Tech, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated revenues 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. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenue is allocated based on the location of the customer. Geographic segments of the Group are Americas (including Canada and South American countries), Europe, India and Others.

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Year ended March 31, 2016

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Revenue	44162.64	10908.81	15274.01	11854.32	26446.43	108646.21
	38565.66	9242.45	12829.01	10933.55	23077.74	94648.41
Segment result	12809.20	2914.59	4111.78	3403.98	7231.17	30470.72
	10594.47	2223.00	3254.49	2770.78	5480.11	24322.85
Unallocable expenses (net)						1848.72
						1744.02
Operating income						28622.00
						22578.83
Other income (net)						3053.87
						3229.91
Profit before Exceptional item and tax						31675.87
						25808.74
Exceptional item						-
						489.75
Profit before tax						31675.87
						26298.49
Tax expense						7300.93
						6238.79
Profit before minority interest						24374.94
						20059.70
Minority interest						83.12
						207.52
Profit for the year						24291.82
						19852.18

As at March 31, 2016

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Segment assets	11544.04	2872.99	3659.50	3702.61	8919.97	30699.11
	9649.76	2489.20	3298.98	3248.77	8949.38	27636.09
Unallocable assets						58685.27
						46024.79
Total assets						89384.38
						73660.88
Segment liabilities	1843.37	149.44	193.29	295.59	925.49	3407.18
	2592.41	340.86	531.48	551.56	1827.96	5844.27
Unallocable liabilities						20114.41
						16054.09
Total liabilities						23521.59
						21898.36

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 Packaged Goods	Telecom, Media and Entertainment	Others	
Other information :						
Capital expenditure (allocable)	15.45	-	-	-	3.28	18.73
	<i>73.56</i>	-	-	-	<i>63.00</i>	<i>136.56</i>
Capital expenditure (unallocable)						1989.99
						<i>3124.24</i>
Depreciation (allocable)	116.78	-	-	-	2.29	119.07
	<i>113.43</i>	-	-	-	<i>66.43</i>	<i>179.86</i>
Depreciation (unallocable)						1828.89
						<i>1129.08</i>
Other significant non cash expenses (allocable)	30.39	9.10	9.75	9.13	76.30	134.67
	<i>28.47</i>	<i>7.78</i>	<i>54.85</i>	<i>7.18</i>	<i>79.45</i>	<i>177.73</i>
Other significant non cash expenses (net) (unallocable)						-
						<i>1.40</i>

The following geographic segments individually contribute 10 percent or more of the Group's revenue or segment assets:

(₹ crores)

Geographic segments	Revenue for the year ended March 31, 2016	Segment assets as at March 31, 2016
Americas	60010.88	14254.13
	<i>51053.46</i>	<i>12639.38</i>
Europe	29092.07	10273.30
	<i>26729.63</i>	<i>9022.42</i>
India	6728.81	5960.98
	<i>6107.55</i>	<i>5292.85</i>

Previous years' figures are in italics.

33) RELATED PARTY DISCLOSURES

A) Related parties and their relationship

I) Holding Company

Tata Sons Limited

II) Fellow subsidiaries with whom the Group has transactions

- Infiniti Retail Limited
- Tata AIG General Insurance Company Limited
- Tata AIA Life Insurance Company Limited
- Tata Investment Corporation Limited
- Tata Limited
- Tata Advanced Systems Limited
- Tata Asset Management Limited
- Tata Business Support Services Limited
- Tata Capital Limited
- Tata Housing Development Company Limited

Notes forming part of the Consolidated Financial Statements**33) RELATED PARTY DISCLOSURES (contd.)****A) Related parties and their relationship (contd.)**

- Tata Consulting Engineers Limited
- Tata Sky Limited
- Tata Realty and Infrastructure Limited
- e-Nxt Financials Limited (merged with Tata Business Support Services Limited w.e.f. 01.07.2015)
- Tata Industries Limited
- Tata International Limited
- Drive India Enterprise Solutions Limited (ceased w.e.f. 01.09.2015)
- Nova Integrated Systems Limited
- Tata Sikorsky Aerospace Limited (formerly Tara Aerospace Systems Limited)
- TBSS Healthcare TPA Services Limited
- Tata Capital Housing Finance Limited
- TC Travel And Services Limited
- Tata Securities Limited
- Tata Capital Forex Limited
- Tata Capital Financial Services Limited
- Tata Cleantech Capital Limited
- Tata Value Homes Limited (formerly Smart Value Homes Limited)
- Tata Interactive Systems GmbH
- Tata Interactive Systems AG
- Tata Unistore Limited (name changed w.e.f. 13.05.2015) (formerly Tata Industrial Services Limited)
- Tata Africa Holdings (SA) (Proprietary) Limited
- TATA Africa Holdings (Kenya) Limited
- Tata Africa Holdings (Tanzania) Limited
- Tata Africa Services (Nigeria) Limited
- Tata Uganda Limited
- Tata Zambia Limited
- Calsea Footwear Private Limited
- Tata SIA Airlines Limited
- Taj Air Limited
- TRIL Infopark Limited
- Tata Autocomp Systems Limited
- Tata Lockheed Martin Aerostructures Limited (formerly Tata Aerostructures Limited)
- Panatone Finvest Limited

III) Key Management Personnel

- Mr. N. Chandrasekaran, Chief Executive Officer and Managing Director
- Mr. Rajesh Gopinathan, Chief Financial Officer
- Ms. Aarthi Subramanian, Executive Director (w.e.f. 12.03.2015)

Notes forming part of the Consolidated Financial Statements

33) RELATED PARTY DISCLOSURES (contd.)

B) Transactions with related parties for the year ended March 31, 2016

(₹ crores)

	Holding Company	Fellow Subsidiaries	Key Management Personnel and their relatives	Total
Brand equity contribution	128.36	-	-	128.36
	122.93	-	-	122.93
Purchase of fixed assets	-	29.93	-	29.93
	-	66.73	-	66.73
Loans and advances given	-	0.94	-	0.94
	-	-	-	-
Loans and advances repaid	-	-	-	-
	-	0.05	-	0.05
Inter-corporate deposits matured	-	-	-	-
	-	385.00	-	385.00
Purchase of investments	-	8843.50	-	8843.50
	-	7441.46	-	7441.46
Redemption / sale of investments	-	8928.54	-	8928.54
	29.43	6736.55	-	6765.98
Revenue (including reimbursements)	4.27	222.56	-	226.83
	2.99	242.09	-	245.08
Interest income	-	-	-	-
	49.61	30.04	-	79.65
Purchase of goods, services and facilities (including reimbursements)	3.35	632.79	-	636.14
	0.81	268.21	-	269.02
Rent expense	0.98	27.90	-	28.88
	0.98	28.55	-	29.53
Provision / (Write back of provision) for doubtful receivables, advances (net)	-	(0.07)	-	(0.07)
	-	0.40	-	0.40
Bad debts written-off	-	0.04	-	0.04
	-	-	-	-
Dividend paid on equity shares	5845.98	4.20	0.37	5850.55
	10825.89	12.78	0.66	10839.33
Dividend paid on redeemable preference shares	-	-	-	-
	28.68	-	-	28.68
Remuneration	-	-	43.26*	43.26
	-	-	23.50	23.50

Notes forming part of the Consolidated Financial Statements

33) RELATED PARTY DISCLOSURES (contd.)

C) Balances with related parties as at March 31, 2016

	Holding Company	Fellow Subsidiaries	Key Management Personnel and their relatives	Total
Trade receivables, Unbilled revenue, Loans and advances, Other assets (net)	4.40	112.74	-	117.14
	4.00	117.46	-	121.46
Trade payables, Income received in advance, Advances from customers, Other liabilities	117.18	20.13	-	137.31
	113.70	35.87	-	149.57
Investment in debentures / mutual funds / bonds	-	642.90	-	642.90
	-	676.70	-	676.70

Previous years' figures are in italics.

D) Disclosure of material transactions with related parties

	2016	2015
<u>Purchase of fixed assets</u>		
TRIL Infopark Limited	5.90	0.54
Tata Consulting Engineers Limited	17.03	18.66
Tata Realty and Infrastructure Limited	1.79	46.68
Tata Interactive Systems GmbH	5.17	0.73
<u>Loans and advances given</u>		
Tata AIG General Insurance Company Limited	0.10	-
Taj Air Limited	0.84	-
<u>Loans and advances repaid</u>		
Infiniti Retail Limited	-	0.04
Tata AIG General Insurance Company Limited	-	0.01
<u>Inter-corporate deposits matured</u>		
Tata Realty and Infrastructure Limited	-	50.00
Tata Housing Development Company Limited	-	55.00
Tata Capital Financial Services Limited	-	280.00
<u>Purchase of investments</u>		
Tata Asset Management Limited	8843.50	7370.64
<u>Redemption / sale of investments</u>		
Tata Asset Management Limited	8928.54	6726.41
<u>Revenue (including reimbursements)</u>		
Tata Sky Limited	59.33	73.36
Infiniti Retail Limited	16.34	30.33
Tata Capital Financial Services Limited	41.95	42.89
Tata Unistore Limited (name changed w.e.f. 13.05.2015) (formerly Tata Industrial Services Limited)	36.48	25.34

Notes forming part of the Consolidated Financial Statements

33) RELATED PARTY DISCLOSURES (contd.)

D) Disclosure of material transactions with related parties (contd.)

(₹ crores)

	2016	2015
Interest income		
Tata Sons Limited	-	49.61
Panatone Finvest Limited	-	8.85
Tata Capital Financial Services Limited	-	13.75
Purchase of goods, services and facilities (including reimbursements)		
Tata Capital Forex Limited	489.57	218.30
Rent expense		
Tata Sons Limited	0.98	0.98
Tata Limited	-	1.61
Tata Africa Holdings (SA) (Proprietary) Limited	1.83	1.97
TRIL Infopark Limited	24.35	24.90
Provision / (Write back of provision) for doubtful receivables, advances (net)		
Tata Sky Limited	0.21	0.32
Drive India Enterprise Solutions Limited	0.05	(0.28)
Infiniti Retail Limited	(0.33)	0.35
Tata Capital Limited	(0.18)	-
TATA Africa Holdings (Kenya) Limited	0.18	(0.04)
Bad debts written-off		
Tata AIG General Insurance Company Limited	0.04	-
Remuneration to Key Management Personnel		
Mr. N. Chandrasekaran	36.66*	21.28

E) Disclosure of material balances with related parties

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
Trade receivables, Unbilled revenue, Loans and advances, Other assets (net)		
Tata Capital Financial Services Limited	12.09	19.56
Infiniti Retail Limited	1.74	16.46
Tata Unistore Limited (name changed w.e.f. 13.05.2015) (formerly Tata Industrial Services Limited)	20.90	30.09
Tata Sky Limited	25.66	9.40
TATA Africa Holdings (Kenya) Limited	14.77	7.61
Trade payables, Income received in advance, Advances from customers, Other liabilities		
Tata Sons Limited	117.18	113.70
Investment in debentures / mutual funds / bonds		
Tata Asset Management Limited	642.90	676.70

* Includes the one time bonus paid to eligible employees.

Notes forming part of the Consolidated Financial Statements

34) OBLIGATION TOWARDS OPERATING LEASES

(₹ crores)

Particulars	As at March 31, 2016	As at March 31, 2015
Non cancellable operating lease obligation		
Not later than one year	732.65	763.21
Later than one year but not later than five years	2169.16	2243.34
Later than five years	1233.01	1403.30
Total	4134.82	4409.85

Rental expenses of ₹ 922.42 crores (March 31, 2015: ₹ 825.21 crores) in respect of obligation under non-cancellable operating leases and ₹ 771.43 crores (March 31, 2015: ₹ 744.25 crores) in respect of cancellable operating leases have been charged to the statement of profit and loss

35) OBLIGATIONS TOWARDS FINANCE LEASES

(₹ crores)

Particulars	As at March 31, 2016	As at March 31, 2015
Assets acquired under finance lease		
i) Minimum lease payments:		
Not later than one year	58.73	70.03
Later than one year but not later than five years	80.18	109.59
Later than five years	32.92	44.35
Total	171.83	223.97
ii) Present value of minimum lease payments:		
Not later than one year	49.05	57.40
Later than one year but not later than five years	55.75	80.48
Later than five years	26.49	33.21
	131.29	171.09
Add: Future finance charges	40.54	52.88
Total	171.83	223.97

36) RECEIVABLES UNDER SUB LEASES

(₹ crores)

Particulars	As at March 31, 2016	As at March 31, 2015
Not later than one year	19.00	17.81
Later than one year but not later than five years	15.58	36.44
Later than five years	-	-
Total	34.58	54.25

The total amount recognised in the statement of profit and loss for the year ended March 31, 2016 is ₹ 24.51 crores (March 31, 2015: ₹ 18.45 crores).

Notes forming part of the Consolidated Financial Statements

37) EARNINGS PER EQUITY SHARE

Particulars	2016	2015
Profit for the year (₹ crores)	24291.82	19852.18
Amount available for equity shareholders (₹ crores)	24291.82	19852.18
Weighted average number of equity shares	197,04,27,941	195,87,27,979
Earning per share - Basic and diluted (₹)	123.28	101.35
Face value per equity share (₹)	1.00	1.00

38) CONTINGENT LIABILITIES

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹ crores)	(₹ crores)
Claims against the Group not acknowledged as debt (See (a) below)	7017.37	191.75
Income tax demands (See (b) below)	7957.36	3904.63
Indirect tax demands (See (c) below)	193.19	170.31
Other contingencies	-	0.34

- In October 2014, Epic Systems Corporation ('Epic') filed a legal claim against the Company in the Court of Western District Madison, Wisconsin for alleged unauthorised download and misuse of Epic's confidential information and trade secrets. In April 2016, the Company received an unfavorable jury verdict awarding damages totalling ₹ 6227.03 crores (US\$940 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.
- In respect of income tax demands of ₹ 318.20 crores (March 31, 2015: ₹ 318.20 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.
- In respect of indirect tax demands of ₹ 8.53 crores (March 31, 2015: ₹ 8.53 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.
- The Group has examined the social security and tax aspects of contracts with legal entities which provide services to overseas subsidiaries and, based on legal opinion, concludes that the subsidiaries are in compliance with the related statutory requirements.

39) CAPITAL AND OTHER COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1456.70 crores (March 31, 2015: ₹ 1878.48 crores).
- The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of balance ₹ 24486.94 per unit for 1000 units aggregating ₹2.45 crores (March 31, 2015: ₹ 2.96 crores).

40) DERIVATIVE FINANCIAL INSTRUMENTS

The Company and its subsidiaries, in accordance with its risk management policies and procedures, enter into foreign exchange forwards, option and futures contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Group has following outstanding foreign exchange option contracts, which have been designated as Cash Flow Hedges, as at:

Foreign Currency	March 31, 2016			March 31, 2015		
	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	9	225.00	41.44	-	-	-
Sterling Pound	8	160.00	51.85	18	297.00	67.05
Euro	24	285.00	19.51	9	171.00	87.78
Australian Dollar	21	228.00	(12.47)	6	97.00	31.15

Notes forming part of the Consolidated Financial Statements

The movement in Hedging Reserve for derivatives designated as Cash Flow Hedges is as follows:

(₹ crores)

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Intrinsic value	Time value	Intrinsic Value	Time Value
Balance at the beginning of the year	151.42	(0.67)	24.88	4.76
Changes in the fair value of effective portion of Cash Flow Hedges	249.82	(338.69)	905.89	(440.18)
(Gains)/losses transferred to statement of profit and loss on occurrence of forecasted hedge transactions	(323.09)	317.98	(779.35)	434.75
Balance at the end of the year	78.15	(21.38)	151.42	(0.67)

Net gain on derivative instruments of ₹ 56.77 crores recognised in Hedging Reserve as at March 31, 2016, is expected to be transferred to the statement of profit and loss by March 31, 2017.

In addition to the above Cash Flow Hedges, the Group has outstanding foreign exchange forwards, option and futures contracts with notional amount aggregating ₹ 22143.66 crores (March 31, 2015: ₹ 19949.03 crores) whose fair value showed a gain of ₹ 284.48 crores as at March 31, 2016 (March 31, 2015 : gain of ₹ 159.65 crores).

Exchange gain of ₹ 180.55 crores (March 31, 2015 : exchange gain of ₹ 1360.57 crores) on foreign exchange forwards, option and futures contracts for the year ended March 31, 2016, have been recognised in the statement of profit and loss.

- 41)** Research and development expenditure aggregating ₹ 236.94 crores (March 31, 2015: ₹ 225.07 crores), including capital expenditure, was incurred during the year.
- 42)** The Group revised its policy of providing depreciation on fixed assets effective April 1, 2014. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis for some assets and straight line basis for others. Further the remaining useful life has also been revised wherever appropriate based on an evaluation. The carrying amount as on April 1, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the year ended March 31, 2015 is higher by ₹ 155.70 crores and the effect relating to the period prior to April 1, 2014 is net credit of ₹ 489.75 crores (excluding deferred tax of ₹ 118.90 crores) which has been shown as an 'Exceptional Item' in the statement of profit and loss.
- 43)** During the year ended March 31, 2015, an amount of ₹ 2627.91 crores has been recognized in the statement of profit or loss and accrued under Trade Payables in the balance sheet in respect of one-time bonus to eligible employees.
- 44)** Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.
- 45)** Previous years' figures have been recast / restated.

Unconsolidated Financial Statements



INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF
TATA CONSULTANCY SERVICES LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Tata Consultancy Services Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable. 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 these standalone 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 financial statements based on 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 and the Order under Section 143(11) of the Act.

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 standalone 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its profit 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, 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 relating to preparation of the standalone financial statements 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2016, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 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 Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements.
 - ii) The Company has made provision in its 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.
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 Registration No. 117366W/W-100018)

P. R. RAMESH
Partner
(Membership No. 70928)

Mumbai, April 18, 2016

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')

We have audited the internal financial controls over financial reporting of **Tata Consultancy Services Limited** ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as 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 Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the 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' judgment, including the assessment of the risks of material misstatement of the standalone 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 controls 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, 2016, 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 Registration No. 117366W/W-100018)

P. R. RAMESH

Partner

(Membership No. 70928)

Mumbai, April 18, 2016

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2015-16

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')

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets 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, except a building with carrying value of ₹ 0.27 lakhs which is under dispute.
In respect of immovable properties been taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the Company.
2. 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.
3. 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.
4. 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.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2016 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. 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.
7. 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, 2016 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, 2016 on account of dispute are given below:

Particulars	Forum where the dispute is pending	Financial Year to which the amount relates	Total (₹ Crores)
Income Tax	Commissioner of Income Tax (Appeals)	2006-07, 2007-08, 2009-10, 2011-12	2058.74
	Income Tax Appellate Tribunal	2005-06, 2010-11	1929.93
Sales Tax and Value Added Tax	Additional Commissioner	2007-2008	0.01
	Assistant Commissioner	1995-1996, 1997-1998, 2001-2002, 2004-2005, 2005-2006, 2010-2011, 2011-2012, 2012-13	53.08
	Commercial tax Officer	2005-2006	0.01
	Commissioner	2012-13	0.03
	Deputy Commissioner	1994-1995, 2005-2006, 2008-2009, 2010-2011, 2011-2012, 2012-2013	2.70
	Joint commissioner	1997-1998, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014	4.84

Particulars	Forum where the dispute is pending	Financial Year to which the amount relates	Total (₹ Crores)
	High Court	1994-1995, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2007-2008, 2008-2009, 2009-2010, 2011-2012, 2012-2013	32.71
	Tribunal	1990-1991, 2002-2003, 2003-2004, 2004-2005, 2005-06, 2006-2007, 2007-2008, 2008-09	6.94
Service Tax	Commissioner of Service Tax (Appeals)	2003-2004, 2005-2006, 2006-2007, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2013-2014	14.65
	Tribunal	2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013	70.13

There were no dues of duty of Customs, duty of Excise and Cess which have not been deposited as at March 31, 2016 on account of dispute.

8. 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.
9. 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.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year except 15 cases totaling ₹ 4.37 lakhs in respect of claims for reimbursement of expenses.
11. 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.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. 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 financial statements as required by the applicable accounting standards.
14. 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.
15. 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.
16. 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 Registration No. 117366W/W-100018)

P. R. RAMESH
Partner
(Membership No. 70928)

Mumbai, April 18, 2016

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2015-16

Balance Sheet as at March 31, 2016

(₹ crores)

	Note	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	197.04	195.87
(b) Reserves and surplus	4	58669.82	45220.57
		58866.86	45416.44
Non-current liabilities			
(a) Long-term borrowings	5	50.06	64.71
(b) Deferred tax liabilities (net)	6(a)	365.52	271.46
(c) Other long-term liabilities	7	591.15	722.15
(d) Long-term provisions	8	88.66	126.91
		1095.39	1185.23
Current liabilities			
(a) Short-term borrowings	9	112.96	185.56
(b) Trade payables (includes dues of micro and small enterprises ₹ 18.46 crores (March 31, 2015: ₹ 9.90 crores))		5369.90	6767.25
(c) Other current liabilities	10	4003.84	2491.47
(d) Short-term provisions	11	8219.59	7019.35
		17706.29	16463.63
TOTAL		77668.54	63065.30
II. ASSETS			
Non - current assets			
(a) Fixed assets	12		
(i) Tangible assets		9689.22	7964.88
(ii) Intangible assets		24.06	31.41
(iii) Capital work-in-progress		1641.84	2706.94
		11355.12	10703.23
(b) Non-current investments	13	2228.28	2651.23
(c) Deferred tax assets (net)	6(b)	465.83	303.47
(d) Long-term loans and advances	14	9750.92	8452.55
(e) Other non-current assets	15	572.52	524.68
		24372.67	22635.16
Current assets			
(a) Current investments	16	21847.39	747.47
(b) Inventories	17	8.99	12.34
(c) Unbilled revenue	18	2712.18	2439.36
(d) Trade receivables	19	19058.20	17036.76
(e) Cash and bank balances	20	4806.37	16502.50
(f) Short-term loans and advances	21	4675.78	3352.18
(g) Other current assets	22	186.96	339.53
		53295.87	40430.14
TOTAL		77668.54	63065.30
III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-50		

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

O. P. Bhatt
Director

Suprakash Mukhopadhyay
Company Secretary

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Aarthi Subramanian
Executive Director

Prof. Clayton M. Christensen
Director

V. Thyagarajan
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 18, 2016

Mumbai, April 18, 2016

Statement of Profit and Loss for the year ended March 31, 2016

(₹ crores)

	Note	2016	2015
I. Revenue from operations (Net of excise duty of ₹ 0.86 crore (Previous year: ₹ 4.09 crores))		85863.85	73578.06
II. Other income (net)	23	3740.20	4466.73
III. TOTAL REVENUE		89604.05	78044.79
IV. Expenses:			
(a) Employee benefit expense	24	30068.19	27368.32
(b) Operation and other expenses	25	28846.45	25181.54
(c) Finance costs	26	13.58	79.57
(d) Depreciation and amortisation expense	12	1559.19	1393.77
TOTAL EXPENSES		60487.41	54023.20
V. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV)		29116.64	24021.59
VI. Exceptional item		-	528.38
VII. PROFIT BEFORE TAX		29116.64	24549.97
VIII. Tax expense:			
(a) Current tax	27	6376.81	5269.48
(b) Deferred tax		(53.63)	14.70
(c) MAT credit entitlement	27	(89.24)	8.83
		6233.94	5293.01
IX. PROFIT FOR THE YEAR		22882.70	19256.96
X. Earnings per equity share - Basic and diluted (₹)		116.13	98.31
Weighted average number of equity shares (face value of ₹ 1 each)	34	197,04,27,941	195,87,27,979
XI. NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-50		

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

O. P. Bhatt
Director

Suprakash Mukhopadhyay
Company Secretary

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

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Director

Dr. Vijay Kelkar
Director

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Executive Director

Prof. Clayton M. Christensen
Director

V. Thyagarajan
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 18, 2016

Mumbai, April 18, 2016

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2015-16

Cash Flow Statement for the year ended March 31, 2016

(₹ crores)

	Note	2016	2015
I CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		29116.64	24549.97
Adjustments for:			
Depreciation and amortisation expense		1559.19	865.39
Bad Debts written off (net)		4.26	5.69
Provision for doubtful receivables (net)		106.92	124.56
Provision for doubtful advances (net)		5.31	(13.10)
Advances written-off (net)		2.58	19.50
Provision for diminution in value of long-term investments		-	2.50
Interest expense		13.58	79.57
Profit on sale of fixed assets (net)		(5.06)	(2.94)
Unrealised exchange (gain) / loss		(133.34)	91.64
Exchange difference on translation of foreign currency cash and cash equivalents		(40.12)	27.26
Dividend income (including exchange gain)		(705.08)	(1335.54)
Interest income		(1679.48)	(1554.93)
Profit on redemption of mutual funds and sale of other investments (net)		(459.25)	(225.99)
Operating profit before working capital changes		27786.15	22633.58
Inventories		6.51	(3.77)
Unbilled revenue		(81.45)	187.39
Trade receivables		(1777.53)	(2694.09)
Loans and advances and other assets		(566.83)	(596.97)
Trade payables, other liabilities and provisions		(905.85)	3114.32
Cash generated from operations		24461.00	22640.46
Taxes paid		(6464.69)	(6320.57)
Net cash provided by operating activities		17996.31	16319.89
II CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(1784.21)	(2568.72)
Proceeds from sale of fixed assets		7.06	4.23
Purchase of trade investments		-	(60.83)
Purchase of mutual funds, government securities and other investments		(113476.29)	(62938.73)
Proceeds from sale / redemption of trade investments		113.72	253.36
Proceeds from redemption of mutual funds, sale of government securities and other investments		94296.58	65389.79
Certificate of deposit placed		(490.26)	-
Loans repaid by subsidiaries		6.48	37.32
Inter-corporate deposits placed		(2425.00)	(1777.00)
Inter-corporate deposits matured		1063.00	1880.00
Earmarked deposits with banks placed		(400.18)	(49.00)
Earmarked deposits with banks matured		99.00	25.27
Fixed deposit placed with banks having original maturity over three months		-	(15000.75)
Fixed deposit with banks matured having original maturity over three months		15952.87	12126.90
Dividend received from subsidiaries (including exchange gain)		696.05	1354.31
Dividend received from other investments		9.03	0.48
Interest received		1782.83	1934.38
Net cash (used in / provided by) investing activities		(4549.32)	611.01
III CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings		(0.47)	(0.47)
Short-term borrowings (net)		(72.60)	185.56
Dividend paid (including dividend tax)		(9479.19)	(17020.46)
Interest paid		(12.77)	(78.83)
Net cash used in financing activities		(9565.03)	(16914.20)
Net increase in cash and cash equivalents		3881.96	16.70
Cash and cash equivalents at the beginning of the year		429.78	438.37
Add: Transferred consequent to amalgamation of companies		31.61	1.97
Exchange difference on translation of foreign currency cash and cash equivalents		40.12	(27.26)
Cash and cash equivalents at the end of the year	20	4383.47	429.78
Earmarked balances with banks		422.90	69.97
Short-term bank deposits		-	16002.75
Cash and bank balances at the end of the year	20	4806.37	16502.50
IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-50		
Cash flows have been adjusted for the balances transferred from the amalgamated companies.			

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

O. P. Bhatt
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For and on behalf of the Board

N. Chandrasekaran
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Director

V. Thyagarajan
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 18, 2016

Mumbai, April 18, 2016

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 multiple locations around the globe. The Company's full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Cloud Services, Connected Marketing Solutions, Consulting, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON-Small and Medium Businesses, IT Infrastructure Services, Mobility Products and Services and Platform Solutions.

As at March 31, 2016, Tata Sons Limited owned 73.26% of the Company's equity share capital and has the ability to control its operating and financial policies. The Company's registered office is in Mumbai and it has 61 subsidiaries across the globe.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, as applicable. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

Comparative figures do not include the figures of erstwhile CMC Limited which is amalgamated with the Company with effect from April 1, 2015. Consequently, the comparative figures are not comparable with the figures for the year ended March 31, 2016.

b) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

c) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the asset to its present location and condition.

Fixed assets exclude computers and other assets individually costing ₹ 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

d) Depreciation / amortisation

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation / amortisation is charged on a straight line basis so as to write-off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

Type of asset	Period
Leasehold land and buildings	Lease period
Freehold buildings	20 years
Factory buildings	20 years
Leasehold improvements	Lease period
Plant and machinery	10 years
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years
Intellectual property / distribution rights	5 years
Rights under licensing agreement	License period

Fixed assets purchased for specific projects are depreciated over the period of the project or the useful life stated above, whichever is shorter.

Notes forming part of the Financial Statements**e) Leases**

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 a lease is 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.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

f) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

g) Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds, government securities and bonds are stated at the lower of cost and fair value.

h) Employee benefits**(i) Post-employment benefit plans**

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

For defined benefit schemes, 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 statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as 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) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

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.

i) Revenue recognition

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

Revenue from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue from the sale of equipment are recognised upon delivery, which is when title passes to the customer.

Revenue from sale of software licences are recognised upon delivery.

Revenue from maintenance contracts are recognised pro-rata over the period of the contract.

In respect of Business Process Services, revenue on time and material and unit priced contracts is recognised as the related services are rendered, whereas revenue from fixed price contracts is recognised using the proportionate completion method with contract cost determining the degree of completion.

Revenue is reported net of discounts.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Notes forming part of the Financial Statements

j) **Taxation**

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

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 for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

k) **Foreign currency transactions**

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on foreign exchange forward, options and futures contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward, options and futures contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the statement of profit and loss.

l) **Derivative instruments and hedge accounting**

The Company uses foreign exchange forward, options and futures contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges.

The use of hedging instruments is governed by the Company's policy approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the statement of profit and loss. The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the fair value change in the intrinsic value of the option. The change in fair values of the time value of option, is accumulated in hedging reserve, a component of shareholders' funds and is transferred to the statement of profit and loss when the forecast transaction occurs.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is transferred to the statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss.

Notes forming part of the Financial Statements

m) 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.

n) Provisions, Contingent liabilities and Contingent assets

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 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.

o) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount 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.

3) 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, 2016	As at March 31, 2015
Authorised		
(i) 460,05,00,000 equity shares of ₹ 1 each (March 31, 2015: 420,05,00,000 equity shares of ₹ 1 each)	460.05	420.05
(ii) 105,02,50,000 redeemable preference shares of ₹ 1 each (March 31, 2015: 105,02,50,000 redeemable preference shares of ₹ 1 each)	105.03	105.03
	565.08	525.08
Issued, Subscribed and Fully paid-up		
(i) 195,87,27,979 equity shares of ₹ 1 each (March 31, 2015: 195,87,27,979 equity shares of ₹ 1 each)	195.87	195.87
(ii) Issued during the year (1,16,99,962 equity shares of ₹ 1 each)	1.17	-
	197.04	195.87

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.

(a) Reconciliation of number of shares

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount (₹ crores)	Number of shares	Amount (₹ crores)
Equity shares				
Opening balance	195,87,27,979	195.87	195,87,27,979	195.87
Issued during the year	1,16,99,962	1.17	-	-
Closing balance	197,04,27,941	197.04	195,87,27,979	195.87

Notes forming part of the Financial Statements

(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. 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.

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

	(₹ crores)	
	As at March 31, 2016	As at March 31, 2015
Equity shares		
Holding company		
144,34,51,698 equity shares (March 31, 2015: 144,34,51,698 equity shares) are held by Tata Sons Limited	144.35	144.35
Subsidiaries and Associates of Holding Company		
3,63,700 equity shares (March 31, 2015: 10,29,700 equity shares) are held by Tata Industries Limited	0.04	0.10
9,55,273 equity shares (March 31, 2015: Nil equity shares) are held by Tata AIA Life Insurance Company Limited	0.10	-
5,90,452 equity shares (March 31, 2015: 5,90,452 equity shares) are held by Tata Investment Corporation Limited	0.06	0.06
Nil equity shares (March 31, 2015: 200 equity shares) are held by Tata Capital Limited *	-	-
83,232 equity shares (March 31, 2015: 83,232 equity shares) are held by Tata International Limited	0.01	0.01
24,400 equity shares (March 31, 2015: 24,400 equity shares) are held by Tata Steel Limited *	-	-
452 equity shares (March 31, 2015: 452 equity shares) are held by The Tata Power Company Limited *	-	-
Total	144.56	144.52

*Equity shares having value less than ₹ 50,000.

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

	As at March 31, 2016	As at March 31, 2015
Equity shares		
Tata Sons Limited, the Holding company	144,34,51,698	144,34,51,698
	73.26%	73.69%

(e) 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.

Notes forming part of the Financial Statements

4) RESERVES AND SURPLUS

Reserves and surplus consist of the following:

	(₹ crores)
	As at March 31, 2016
	As at March 31, 2015
(a) Capital redemption reserve	
(i) Opening balance	100.00
(ii) Transferred on amalgamation	0.40
	100.40
(b) Capital reserve	
(i) Opening balance	-
(ii) Transferred on amalgamation	0.34
	0.34
(c) Securities premium reserve	1918.87
(d) Foreign currency translation reserve	
(i) Opening balance	225.85
(ii) Addition / (deduction) during the year (net)	(7.39)
	218.46
(e) Hedging reserve account (Refer Note 38)	
(i) Opening balance	29.64
(ii) (Deduction) / addition during the year (net)	121.11
	150.75
(f) General reserve	
(i) Opening balance	5161.20
(ii) Adjustment on amalgamation (Refer Note 28)	(34.20)
(iii) Transferred from surplus in statement of profit and loss	1925.69
	7052.69
(g) Surplus in statement of profit and loss	
(i) Opening balance	36420.45
(ii) Add: Transferred on amalgamation (Refer Note 28)	71.78
(iii) Add: Profit for the year	19256.96
	55749.19
Less: Appropriations	
(a) Interim dividends on equity shares	10772.92
(b) Proposed final dividend on equity shares	4700.95
(c) Tax on dividend	2591.54
(d) Write back of tax on dividend of prior year	(20.97)
(e) Transferred to general reserve	1925.69
	35779.06
	45220.57

The Board of Directors at their meeting held on April 18, 2016 recommended a final dividend of ₹ 27.00 per equity share.

Notes forming part of the Financial Statements

5) LONG-TERM BORROWINGS

Long-term borrowings consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Secured loans		
Long-term maturities of obligations under finance lease (Refer Note 33)	49.77	64.13
(b) Unsecured loans		
Borrowings from entity other than banks	0.29	0.58
	50.06	64.71

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

6) DEFERRED TAX BALANCES

Deferred tax balances consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Deferred tax liabilities (net)		
(i) Foreign branch profit tax	346.12	256.03
(ii) Depreciation and amortisation	19.40	15.43
	365.52	271.46
(b) Deferred tax assets (net)		
(i) Depreciation and amortisation	(139.35)	(146.58)
(ii) Employee benefits	237.68	180.90
(iii) Operating lease liabilities	75.46	65.69
(iv) Provision for doubtful receivables, loans and advances	182.26	129.04
(v) Others	109.78	74.42
	465.83	303.47

7) OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Capital creditors	61.78	67.53
(b) Operating lease liabilities	298.36	310.90
(c) Others	231.01	343.72
	591.15	722.15

Others include advance taxes paid of ₹ 229.53 crores (March 31, 2015: ₹ 333.28 crores) by the seller of TCS e-Serve Limited which, on refund by the tax authorities, is payable to the seller.

8) LONG-TERM PROVISIONS

Long-term provisions consist of the following:

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits:		
Post retirement benefits	48.18	32.43
(b) Provision for foreseeable loss on a long-term contract	40.48	94.48
	88.66	126.91

Notes forming part of the Financial Statements

9) SHORT-TERM BORROWINGS

Short-term borrowings consist of the following:

	As at March 31, 2016	As at March 31, 2015
(a) Secured loans		
Overdraft from banks	111.80	-
(b) Unsecured loans		
Overdraft from banks	1.16	185.56
	112.96	185.56

10) OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of long-term debt	0.29	0.47
(b) Current maturities of obligations under finance lease (Refer Note 33)	15.24	22.11
(c) Interest accrued but not due on borrowings	0.01	0.02
(d) Income received in advance	1067.72	854.67
(e) Unclaimed dividends	21.11	19.41
(f) Advance received from customers	39.21	26.18
(g) Operating lease liabilities	67.05	44.86
(h) Fair value of foreign exchange forward and currency option contracts secured against trade receivables	152.43	19.75
(i) Statutory liabilities	741.43	568.83
(j) Capital creditors	305.57	299.05
(k) Liabilities for cost related to customer contracts	735.95	615.99
(l) Liabilities for purchase of government securities	804.86	-
(m) Other payables	52.97	20.13
	4003.84	2491.47

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

11) SHORT-TERM PROVISIONS

Short-term provisions consist of the following:

	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits	1164.05	951.52
(b) Proposed final dividend on equity shares	5320.16	4700.95
(c) Tax on dividend	1083.06	939.91
(d) Current income taxes (net)	537.49	323.93
(e) Provision for foreseeable loss on a long-term contract	114.83	103.04
	8219.59	7019.35

Provision for employee benefits include provision for compensated absences and other short-term employee benefits.

Notes forming part of the Financial Statements

12) FIXED ASSETS

Fixed assets consist of the following:

(i) Tangible assets

Description	(₹ crores)												
	Freehold land	Leasehold land	Freehold buildings	Factory buildings	Leasehold buildings	Leasehold improvements	Plant and machinery	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Gross Block as at April 1, 2015	326.51	210.49	4379.71	2.77	9.81	1184.11	126.68	4133.90	26.48	1526.33	1183.00	953.84	14063.63
	326.21	209.48	3137.73	2.77	9.81	976.73	10.29	3464.15	25.01	1318.34	942.76	754.73	11178.01
	Additions	-	-	1283.00	-	-	114.86	193.08	567.10	7.79	227.15	325.95	160.60
Assets acquired on amalgamation	0.30	1.01	1242.32	-	-	207.97	116.40	709.86	4.72	207.95	241.02	200.90	2932.45
	0.06	7.10	365.10	-	4.81	3.36	-	70.40	0.55	97.79	-	21.83	571.00
	-	-	-	-	-	-	-	1.78	0.08	1.74	0.09	0.22	3.91
Deletions / Adjustments	(0.18)	-	(0.03)	(0.82)	(0.46)	(14.28)	-	(121.74)	(4.07)	(11.31)	(7.60)	(14.65)	(175.14)
	-	-	(0.34)	-	-	(0.59)	(0.01)	(41.89)	(3.33)	(1.70)	(0.87)	(2.01)	(50.74)
	326.39	217.59	6027.78	1.95	14.16	1288.05	319.76	4649.66	30.75	1839.96	1501.35	1121.62	17339.02
Gross Block as at March 31, 2016	326.51	210.49	4379.71	2.77	9.81	1184.11	126.68	4133.90	26.48	1526.33	1183.00	953.84	14063.63
	-	(18.42)	(439.77)	(1.51)	(8.74)	(631.95)	(16.25)	(2999.85)	(18.19)	(848.45)	(407.32)	(708.30)	(6098.75)
	-	(15.45)	(577.96)	(1.43)	(8.53)	(512.98)	(10.27)	(2483.94)	(15.79)	(589.27)	(409.69)	(665.61)	(5290.92)
Depreciation for the year	-	(3.07)	(307.55)	(0.05)	(0.41)	(132.64)	(22.33)	(577.93)	(4.65)	(260.17)	(158.36)	(84.68)	(1551.84)
	-	(2.97)	138.11	(0.08)	(0.21)	(119.56)	(5.99)	(555.67)	(5.58)	(259.60)	1.75	(44.38)	(854.18)
	-	(0.91)	(48.60)	-	(4.30)	(2.37)	-	(53.22)	(0.43)	(46.49)	-	(16.03)	(172.35)
Adjustments on amalgamation	-	-	-	-	-	-	-	(1.53)	(0.08)	(1.21)	(0.06)	(0.22)	(3.10)
	-	-	0.03	0.28	0.46	14.10	-	121.63	4.05	10.98	7.00	14.61	173.14
	-	-	0.08	-	-	0.59	0.01	41.29	3.26	1.63	0.68	1.91	49.45
Deletions / Adjustments	-	(22.40)	(795.89)	(1.28)	(12.99)	(752.86)	(38.58)	(3509.37)	(19.22)	(1144.13)	(558.68)	(794.40)	(7649.80)
	-	(18.42)	(439.77)	(1.51)	(8.74)	(631.95)	(16.25)	(2999.85)	(18.19)	(848.45)	(407.32)	(708.30)	(6098.75)
	326.39	195.19	5231.89	0.67	1.17	535.19	281.18	1140.29	11.53	695.83	942.67	327.22	9689.22
Net book value as at March 31, 2016	326.51	192.07	3939.94	1.26	1.07	552.16	110.43	1134.05	8.29	677.88	775.68	245.54	7964.88

Notes forming part of the Financial Statements

12) FIXED ASSETS (contd.)
(ii) Intangible assets

(₹ crores)

Description	Intellectual property / distribution rights	Rights under licensing agreement	Total
Gross Block as at April 1, 2015	13.21	128.41	141.62
	<i>13.21</i>	<i>124.51</i>	<i>137.72</i>
Additions	-	-	-
	-	<i>0.06</i>	<i>0.06</i>
Assets acquired on amalgamation	-	-	-
	-	<i>3.84</i>	<i>3.84</i>
Deletions / Adjustments	-	-	-
	-	-	-
Gross Block as at March 31, 2016	13.21	128.41	141.62
	<i>13.21</i>	<i>128.41</i>	<i>141.62</i>
Accumulated amortisation as at April 1, 2015	(13.11)	(97.10)	(110.21)
	<i>(12.43)</i>	<i>(83.19)</i>	<i>(95.62)</i>
Amortisation for the year	(0.10)	(7.25)	(7.35)
	<i>(0.68)</i>	<i>(10.53)</i>	<i>(11.21)</i>
Adjustments on amalgamation	-	-	-
	-	<i>(3.38)</i>	<i>(3.38)</i>
Deletions / Adjustments	-	-	-
	-	-	-
Accumulated amortisation as at March 31, 2016	(13.21)	(104.35)	(117.56)
	<i>(13.11)</i>	<i>(97.10)</i>	<i>(110.21)</i>
Net book value as at March 31, 2016	-	24.06	24.06
	<i>0.10</i>	<i>31.31</i>	<i>31.41</i>

(iii) Capital work-in-progress

(₹ crores)

Description	Total
Capital work-in-progress	1641.84
	<i>2706.94</i>

Previous years' figures are in italics.

- Freehold buildings include ₹ 2.67 crores (March 31, 2015: ₹ 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- Net book value of computer equipment of ₹ 6.44 crores (March 31, 2015: ₹ 18.49 crores) and leasehold improvements of ₹ 46.18 crores (March 31, 2015: ₹ 56.65 crores) are under finance lease.
- Legal formalities relating to conveyance of freehold buildings having net book value ₹ - * crores (March 31, 2015: ₹ 5.18 crores) are pending completion.

* values less than ₹ 50,000

Notes forming part of the Financial Statements

13) NON-CURRENT INVESTMENTS

Non-current investments consist of the following:

				(₹ crores)	
In Numbers	Currency	Face Value Per share	Description	As at March 31, 2016	As at March 31, 2015
(A) TRADE INVESTMENTS (at cost)					
(i) Subsidiary companies					
(a) Fully paid equity shares (quoted)					
-	INR	-	CMC Limited (Refer Note 28) (Shares cancelled on amalgamation)	-	379.89
(b) Fully paid equity shares (unquoted)					
2,12,27,83,424	Peso	1	TCS Iberoamerica SA	461.31	461.31
15,75,300	INR	10	APTOnline Limited (formerly APOnline Limited)	-	-
1,300	EUR	-	Tata Consultancy Services Belgium S.A.	1.06	1.06
66,000	EUR	1000	Tata Consultancy Services Netherlands BV	402.87	402.87
1,000	SEK	100	Tata Consultancy Services Sverige AB	18.89	18.89
1	EUR	-	Tata Consultancy Services Deutschland GmbH	1.72	1.72
20,000	USD	10	Tata America International Corporation	452.92	452.92
75,82,820	SGD	1	Tata Consultancy Services Asia Pacific Pte Ltd.	18.69	18.69
3,72,58,815	AUD	1	TCS FNS Pty Limited	211.72	211.72
10,00,001	GBP	1	Diligenta Limited	429.05	429.05
1,000	USD	-	Tata Consultancy Services Canada Inc. *	-	-
100	CAD	70653.61	Tata Consultancy Services Canada Inc.	31.25	31.25
51,00,000	INR	10	C-Edge Technologies Limited	5.10	5.10
8,90,000	INR	10	MP Online Limited	0.89	0.89
1,40,00,000	RAND	1	Tata Consultancy Services (Africa) (PTY) Ltd.	65.75	65.75
18,89,000	INR	10	MahaOnline Limited	1.89	1.89
-	QAR	-	Tata Consultancy Services Qatar S.S.C.	2.44	2.44
16,00,01,000	USD	0.01	CMC Americas Inc. (16,00,01,000 shares transferred during the year on amalgamation)	8.18	-
10,00,000	INR	100	TCS e-Serve International Limited	10.00	10.00
10,00,000	INR	10	TCS Foundation	-	-
(c) Fully paid preference shares (unquoted)					
-	GBP	-	Diligenta Limited 10% cumulative redeemable preference shares (1,10,00,000 cumulative preference shares redeemed during the year)	-	101.75
(ii) Others					
(a) Fully paid equity shares (quoted)					
-	USD	-	Yodlee, Inc. (46,386 equity shares exchanged for 8,762 shares of Envestnet Inc. and cash consideration)	-	-

Notes forming part of the Financial Statements

13) NON - CURRENT INVESTMENTS (contd.)

(₹ crores)

In Numbers	Currency	Face Value Per share	Description	As at March 31, 2016	As at March 31, 2015
(b) Fully paid equity shares (unquoted)					
25,00,000	INR	10	National Power Exchange Limited	2.50	2.50
1,90,00,000	INR	10	Taj Air Limited	19.00	19.00
69	EUR	297	ALMC HF *	-	-
20,00,000	INR	10	KOOH Sports Private Limited	3.00	3.00
1	INR	10	Ruralshores Business Services Private Limited*	-	-
(c) Fully paid preference shares (unquoted)					
6,24,999	INR	10	Ruralshores Business Services Private Limited (1,38,382 preference shares subscribed during the year)	25.00	25.00
(B) OTHERS					
(i) Mutual and other funds (unquoted)					
1,000	INR	100000	India Innovation Fund (₹ 75513.06 paid-up per share)	7.55	7.04
5,00,00,000	INR	10	HDFC FMP 1170D March 2016 - Direct Growth Series	50.00	-
(ii) Bonds and Debentures (unquoted)					
69	EUR	297	ALMC HF 0 % Bonds (2014)	0.12	0.12
				2230.90	2653.85
Provision for diminution in value of investments				(2.62)	(2.62)
				2228.28	2651.23
Book value of quoted investments				-	379.89
Book value of unquoted investments (net of provision)				2228.28	2271.34
Market value of quoted investments				-	2974.41

* Non-current investments having a value of less than ₹ 50,000.

The Company has given letter of comfort to various banks for credit and / or foreign exchange hedging facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Switzerland Ltd, (c) Tata Consultancy Services Sverige AB, (d) Tata Consultancy Services Belgium S.A., (e) Tata Consultancy Services Deutschland GmbH, (f) Tata Consultancy Services Netherlands BV, (g) Tata Consultancy Services Asia Pacific Pte Ltd., (h) TCS Italia SRL, (i) Tata Consultancy Services France S.A.S., (j) Tata Consultancy Services Malaysia Sdn Bhd and (k) Tata Consultancy Services Luxembourg S.A. 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.

On July 2, 2015, the Company through its wholly owned subsidiary, Tata Consultancy Services Netherlands BV subscribed to 76% share capital of Tata Consultancy Services Saudi Arabia.

On October 30, 2015, the Company through its wholly owned subsidiaries TCS Inversiones Chile Limitada and TATA Consultancy Services Chile S.A., subscribed 100% share capital of Technology Outsourcing S.A.C, an information technology service provider in Peru.

Notes forming part of the Financial Statements

14) LONG-TERM LOANS AND ADVANCES

Long-term loans and advances (unsecured) consist of the following:

	(₹ crores)	
	As at March 31, 2016	As at March 31, 2015
(a) Considered good		
(i) Capital advances	186.46	201.90
(ii) Security deposits	603.13	538.00
(iii) Loans and advances to employees	7.49	8.88
(iv) Loans and advances to related parties	3.13	21.98
(v) Advance tax (including refunds receivable (net))	4229.86	3884.22
(vi) MAT Credit entitlement	1960.31	1801.78
(vii) Indirect tax recoverable	4.05	48.89
(viii) Inter-corporate deposits	2425.00	1572.00
(ix) Prepaid expenses	310.92	354.18
(x) Other amounts recoverable in cash or kind or for value to be received	20.57	20.72
(b) Considered doubtful		
Security deposits	0.15	0.15
Less: Provision for doubtful loans and advances	(0.15)	(0.15)
	<u>9750.92</u>	<u>8452.55</u>
Loans and advances to related parties, considered good, comprise:		
Tata Sons Limited	2.74	2.74
TCS FNS Pty Limited	-	6.18
CMC Limited	-	12.67
Tata Realty and Infrastructure Limited	0.39	0.39

15) OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

	(₹ crores)	
	As at March 31, 2016	As at March 31, 2015
(a) Interest receivable	72.52	24.33
(b) Long-term bank deposits	415.00	500.00
(c) Earmarked balances with banks	85.00	0.35
	<u>572.52</u>	<u>524.68</u>

Notes forming part of the Financial Statements

16) CURRENT INVESTMENTS

Current investments consist of the following:

(₹ crores)

In Numbers	Currency	Face Value Per unit	Description	As at March 31, 2016	As at March 31, 2015
(a) Mutual and other funds (unquoted)					
60,00,000	INR	10	HDFC Debt Fund for Cancer Cure - 50% Dividend Donation Option	6.00	6.00
20,56,944	INR	100	Birla Sun Life Cash Plus - Growth-Direct Plan	50.00	96.47
3,34,710	INR	1000	HDFC Liquid Fund - Direct Plan - Growth Option	100.00	-
3,93,719	INR	1000	Tata Liquid Fund Direct Plan - Growth	110.00	295.00
20,95,961	INR	1000	Tata Money Market Fund Direct Plan	500.00	300.00
30,34,467	INR	100	ICICI Prudential Liquid - Direct Plan - Growth	68.00	-
4,88,477	INR	1000	Kotak Liquid Scheme Plan A - Direct Plan - Growth	150.00	-
9,59,884	INR	1000	Religare Invesco Liquid Fund - Direct Plan Growth	200.00	-
-	INR	-	L&T Liquid Fund Direct Plan - Growth	-	50.00
(b) Government securities (quoted)					
17,40,00,000	INR	100	7.16% Government of India bond (2023)	1678.90	-
4,00,00,000	INR	100	7.28% Government of India bond (2019)	397.48	-
5,00,000	INR	100	7.94% Government of India bond (2021)	5.03	-
18,95,00,000	INR	100	8.08% Government of India bond (2022)	1921.23	-
3,00,00,000	INR	100	8.12% Government of India bond (2020)	305.76	-
2,70,00,000	INR	100	8.13% Government of India bond (2022)	274.10	-
19,05,00,000	INR	100	8.15% Government of India bond (2026)	1949.97	-
10,00,000	INR	100	8.19% Government of India bond (2020)	10.17	-
3,05,00,000	INR	100	8.20% Government of India bond (2022)	310.66	-
13,05,00,000	INR	100	8.20% Government of India bond (2025)	1335.22	-
6,82,31,000	INR	100	8.24% Government of India bond (2027)	701.72	-
2,75,00,000	INR	100	8.26% Government of India bond (2027)	283.24	-
20,00,000	INR	100	8.27% Government of India bond (2020)	20.47	-
21,61,34,900	INR	100	8.28% Government of India bond (2027)	2230.99	-
5,95,00,000	INR	100	8.33% Government of India bond (2026)	615.31	-
25,00,000	INR	100	8.35% Government of India bond (2022)	25.64	-
34,70,00,000	INR	100	8.40% Government of India bond (2024)	3587.49	-
4,25,00,000	INR	100	8.79% Government of India bond (2021)	443.69	-
31,25,00,000	INR	100	8.83% Government of India bond (2023)	3298.97	-
3,47,30,000	INR	100	9.15% Government of India bond (2024)	374.92	-
25,00,000	INR	100	10.18% Government of India bond (2026)	29.07	-
30,00,000	INR	100	10.25% Government of India bond (2021)	33.06	-
Pre-acquisition interest				338.86	-
(c) Certificate of deposits (unquoted)					
50,000	INR	100	Axis bank	491.44	-
(d) Fully paid equity shares (quoted)					
-	INR	-	Envestnet Inc. (8,762 shares received in exchange of 46,386 equity shares of Yodlee Inc. which were sold subsequently during the year)	-	-
				21847.39	747.47
Book value of quoted investments				20171.95	-
Market value of quoted investments				20253.65	-

Notes forming part of the Financial Statements

17) INVENTORIES

Inventories consist of the following:

	As at March 31, 2016	As at March 31, 2015
(a) Raw materials, sub-assemblies and components	8.71	10.07
(b) Finished goods and work-in-progress	0.08	0.46
(c) Goods-in-transit (raw materials)	0.20	1.81
	8.99	12.34

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

18) UNBILLED REVENUE

Unbilled revenue as at March 31, 2016 amounting to ₹ 2712.18 crores (March 31, 2015: ₹ 2439.36 crores) primarily includes revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

19) TRADE RECEIVABLES

Trade receivables (Unsecured) consist of the following:

	As at March 31, 2016	As at March 31, 2015
(a) Over six months from the date they were due for payment		
(i) Considered good	1534.77	1825.69
(ii) Considered doubtful	495.24	322.17
(b) Others		
(i) Considered good	17523.43	15211.07
(ii) Considered doubtful	-	22.93
	19553.44	17381.86
Less: Provision for doubtful receivables	(495.24)	(345.10)
	19058.20	17036.76

20) CASH AND BANK BALANCES

Cash and bank balances consist of the following:

	As at March 31, 2016	As at March 31, 2015
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	513.16	303.90
In deposit accounts with original maturity less than three months	2648.05	77.64
(ii) Cheques on hand	24.41	46.49
(iii) Cash on hand	0.95	0.50
(iv) Remittances in transit	1196.90	1.25
	4383.47	429.78
(b) Other bank balances		
(i) Earmarked balances with banks	422.90	69.97
(ii) Short-term bank deposits	-	16002.75
	4806.37	16502.50

Notes forming part of the Financial Statements

21) SHORT-TERM LOANS AND ADVANCES

Short-term loans and advances (Unsecured) consist of the following:

		(₹ crores)	
		As at March 31, 2016	As at March 31, 2015
(a)	Considered good		
(i)	Loans and advances to employees	951.46	272.59
(ii)	Loans and advances to related parties	7.73	12.32
(iii)	Security deposits	117.63	104.17
(iv)	Indirect tax recoverable	138.65	157.82
(v)	Inter-corporate deposits	1572.00	1063.00
(vi)	Prepaid expenses	992.72	1143.00
(vii)	Advance to suppliers	211.38	59.76
(viii)	Fair value of foreign exchange forward and currency option contracts	537.24	365.38
(ix)	Other amounts recoverable in cash or kind or for value to be received	146.97	174.14
(b)	Considered doubtful		
(i)	Loans and advances to employees	54.62	49.13
(ii)	Security deposits	1.67	2.60
(iii)	Indirect tax recoverable	1.74	1.74
(iv)	Advance to suppliers	2.98	2.89
(v)	Other amounts recoverable in cash or kind or for value to be received	3.15	2.00
	Less: Provision for doubtful loans and advances	(64.16)	(58.36)
		4675.78	3352.18
	Loans and advances to related parties, considered good, comprise:		
	TCS FNS Pty Limited	2.61	5.10
	CMC Limited	-	0.73
	Tata Consultancy Services (Africa) (PTY) Ltd.	-	0.55
	TCS e-Serve International Limited	0.55	0.40
	C-Edge Technologies Limited	3.49	5.49
	Tata America International Corporation	-	0.03
	APOnline Limited (formerly APOnline Limited)	-	0.01
	TCS Uruguay S.A.	0.11	-
	TCS Solution Centre S.A.	0.07	-
	Tata AIG General Insurance Company Limited	0.06	0.01
	Taj Air Limited	0.84	-

22) OTHER CURRENT ASSETS

Other current assets consist of the following:

		(₹ crores)	
		As at March 31, 2016	As at March 31, 2015
Interest receivable		186.96	339.53
		186.96	339.53

Notes forming part of the Financial Statements

23) OTHER INCOME (NET)

Other income (net) consist of the following:

	(₹ crores)	
	2016	2015
(a) Interest income	1679.48	1554.93
(b) Dividend income	704.54	1335.13
(c) Profit on redemption of mutual funds and sale of other investments (net)	459.25	225.99
(d) Rent	3.33	2.85
(e) Profit on sale of fixed assets (net)	5.06	2.94
(f) Exchange gain (net)	798.26	1278.63
(g) Miscellaneous income	90.28	66.26
	3740.20	4466.73
Interest income comprise:		
Interest on bank deposits	1428.58	1165.11
Interest on inter - corporate deposits	194.49	264.14
Interest on bonds, government securities and debentures (non-current)	-	120.32
Interest on bonds, government securities and debentures (current)	31.64	-
Interest on loan given to subsidiary	0.06	1.12
Interest on certificate of deposits	1.18	-
Others	23.53	4.24
Dividend income comprise:		
Dividends from subsidiaries (non-current trade investments)	695.51	1334.65
Dividends from mutual funds (current investments)	9.03	0.48
Profit on redemption of mutual funds and sale of other investments (net) comprise:		
From non-current investments (net)	5.37	24.78
From current investments (net)	453.88	201.21
Exchange gain (net) include:		
Gain on foreign exchange forward and currency option contracts which have been designated as Cash Flow Hedges (Refer Note 38)	5.11	344.60

24) EMPLOYEE BENEFIT EXPENSE

Employee benefit expense consist of the following:

	(₹ crores)	
	2016	2015
(a) Salaries and incentives (Refer Note 49)	26574.73	24441.85
(b) Contributions: (Refer Note 29)		
(i) Provident fund	658.04	571.65
(ii) Superannuation scheme	193.02	163.47
(iii) Gratuity fund	325.58	301.42
(iv) Social security and other plans for overseas employees	693.56	501.25
(c) Staff welfare expenses	1623.26	1388.68
	30068.19	27368.32

Notes forming part of the Financial Statements

25) OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	(₹ crores)	
	2016	2015
(a) Overseas business expenses	13406.15	11817.63
(b) Services rendered by business associates and others	6320.53	5046.61
(c) Software, hardware and material costs	3107.14	2932.16
(d) Communication expenses	688.97	641.50
(e) Travelling and conveyance expenses	1094.73	812.94
(f) Rent	1058.65	1072.70
(g) Legal and professional fees	328.42	333.54
(h) Repairs and maintenance	633.03	491.18
(i) Electricity expenses	510.83	493.36
(j) Bad debts written off (net)	4.26	5.69
(k) Provision for doubtful receivables	106.92	124.56
(l) Advances written off (net)	2.58	19.50
(m) Provision for doubtful advances (net)	5.31	(13.10)
(n) Recruitment and training expenses	270.80	235.10
(o) Diminution in value of long-term investments	-	2.50
(p) Printing and stationery	43.76	39.75
(q) Insurance	30.03	22.33
(r) Rates and taxes	134.68	95.59
(s) Entertainment	52.38	44.97
(t) Other expenses	1047.28	963.03
	28846.45	25181.54
(i) Overseas business expenses comprise:		
Travel expenses	947.07	930.73
Employee allowances	12459.08	10886.90
(ii) Repairs and maintenance comprise:		
Buildings	240.47	227.72
Office and computer equipment	392.56	263.46
(iii) Software, hardware and material costs include:		
Material costs		
(a) Raw materials, sub-assemblies and components consumed	39.09	64.62
(b) Opening stock:		
Finished goods and work-in-progress	0.46	0.61
(c) Less: Closing stock:		
Finished goods and work-in-progress	0.08	0.46
	0.38	0.15
	39.47	64.77
(iv) Other expenses include:		
(a) Stores and spare parts consumed	0.74	0.06
(b) Donation to Electoral Trust	-	1.49

26) FINANCE COSTS

Finance costs consist of the following:

	(₹ crores)	
	2016	2015
Interest expense	13.58	79.57
	13.58	79.57

Notes forming part of the Financial Statements

- 27)** Current tax includes additional provision (net) of ₹ 31.75 crores (March 31, 2015: ₹ 61.33 crores) in domestic and certain overseas jurisdictions relating to earlier years. The impact of MAT entitlement of earlier period is ₹ 89.24 crores (March 31, 2015: ₹ 8.83 crores).

28) AMALGAMATION OF COMPANIES

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 amalgamation has been accounted for under the 'pooling of interests' method as prescribed by Accounting Standard (AS-14) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the assets, liabilities and reserves of CMC Limited as at April 1, 2015 have been taken over at their book values and in the same form.

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.

Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarised values:

Particulars	(₹ crores)
CMC Limited	
Assets	
Fixed assets	437.20
Investments	226.86
Deferred tax asset (net)	14.67
Inventories	3.15
Unbilled revenue	217.89
Trade receivables	413.59
Cash and bank balances	32.53
Loans and advances and other assets	247.04
	<u>1592.93</u>
Less: Liabilities	
Trade payables, other liabilities and provisions	401.86
	<u>1191.07</u>
Adjustment for:	
Add: Dividend on equity shares paid by CMC Limited to the Company post appointed date	42.60
	<u>1233.67</u>
Less:	
Issue of shares (1,16,99,962 equity shares of company in the ratio of 79 equity shares of the Company for every 100 equity shares of CMC Limited)	1.17
Adjustment for cancellation of Company's investment in CMC Limited	379.89
	<u>852.61</u>
Less: Transfer of balances of surplus in statement of profit and loss of CMC Limited	1075.31
Balance transferred to General reserve as at appointed date	<u>(222.70)</u>

Notes forming part of the Financial Statements

29) EMPLOYEE RETIREMENT BENEFITS

(a) Defined contribution plans

The Company makes Provident fund, Superannuation fund and foreign defined contribution fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. In respect of Provident fund contributions to trust set up for this purpose, the Company is generally liable for annual contribution and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952. In addition to such contributions, the Company also recognises potential deficiency in interest, if any, computed as per actuarial valuation of interest as an expense in the year it is determined.

As of March 31, 2016, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 9743.90 crores and ₹ 9126.96 crores respectively. 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 of 8.80%. The actuarial assumptions include discount rate of 7.75% and an average expected future period of 8 years.

The Company recognised ₹ 658.04 crores (March 31, 2015: ₹ 571.65 crores) for provident fund contributions and ₹ 193.02 crores (March 31, 2015: ₹ 163.47 crores) for superannuation contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company has contributed ₹ 335.42 crores (March 31, 2015: ₹ 267.63 crores) towards foreign defined contribution plans.

(b) Defined benefit plans

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for service less than 15 years, three-fourth month's salary for service of 15 years to 19 years and one month salary for service of 20 years and more, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2016.

(₹ crores)		
	As at March 31, 2016	As at March 31, 2015
i) Change in benefit obligations:		
Projected benefit obligation, beginning of the year	1264.32	987.22
Service cost	201.47	163.69
Interest cost	104.64	95.87
Liabilities transferred on amalgamation	30.35	0.47
Actuarial loss	149.08	131.41
Benefits paid	(131.21)	(114.54)
Past service cost	13.38	0.20
Projected benefit obligation, end of the year	1632.03	1264.32

(₹ crores)		
	As at March 31, 2016	As at March 31, 2015
ii) Change in plan assets:		
Fair value of plan assets, beginning of the year	1441.91	849.52
Expected return on plan assets	116.22	83.79
Employers' contributions	281.63	616.53
Assets transferred on amalgamation	10.81	0.65
Benefits paid	(131.21)	(114.54)
Actuarial gain	26.77	5.96
Fair value of plan assets, end of the year	1746.13	1441.91
Excess of plan assets over obligations	114.10	177.59
Accrued asset	114.10	177.59

Notes forming part of the Financial Statements

29) EMPLOYEE RETIREMENT BENEFITS (contd.)

	(₹ crores)	
	2016	2015
iii) Net gratuity cost:		
Service cost	201.47	163.69
Interest on defined benefit obligation	104.64	95.87
Expected return on plan assets	(116.22)	(83.79)
Net actuarial losses recognised in the year	122.31	125.45
Past service cost	13.38	0.20
Net gratuity cost	325.58	301.42
Actual return on plan assets	142.99	89.75

	(₹ crores)	
	As at March 31, 2016	As at March 31, 2015
iv) Category of assets:		
Corporate Bonds	311.69	174.55
Insurer managed funds	736.08	737.67
Government Securities	499.93	265.55
Bank balance	97.62	217.33
Others	100.81	46.81
Total	1746.13	1441.91

	As at March 31, 2016	As at March 31, 2015
v) Assumptions used in accounting for gratuity plan:		
	%	%
Discount rate	7.75	8.00
Salary escalation rate	6.00	6.00
Expected rate of return on plan assets	7.75	8.00

The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risk of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

	(₹ crores)				
	2016	2015	2014	2013	2012
Experience adjustment					
On plan liabilities loss/(gain)	76.13	32.06	(56.09)	(18.10)	43.75
On plan assets gain	26.77	5.96	21.90	4.00	6.63
Present value of benefit obligation	1632.03	1264.32	987.22	830.16	679.25
Fair value of plan assets	1746.13	1441.91	849.52	593.50	542.04
Excess / (deficit) of plan assets over obligations	114.10	177.59	(137.70)	(236.66)	(137.21)

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as at March 31, 2016. The Company is expected to contribute ₹ 102.51 crores for the year ended March 31, 2017.

Notes forming part of the Financial Statements

30) SEGMENT REPORTING

The Company has identified business segments (industry practice) as its primary segment and geographic segments as its secondary segment.

Business segments comprise banking, finance and insurance services, manufacturing, retail and consumer packaged goods, telecom, media and entertainment and others such as energy, resources and utilities, Hi-tech, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to specific 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. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenue is allocated based on the location of the customer. Geographic segments of the Company are Americas (including Canada and South American countries), Europe, India and Others.

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Year ended March 31, 2016						
Revenue	33473.50	7409.64	12598.14	10197.20	22185.37	85863.85
	28871.39	6514.53	10876.56	9217.83	18097.75	73578.06
Segment result	10928.78	2464.95	3535.44	3066.06	6953.98	26949.21
	8801.09	1821.43	2863.46	2490.17	5054.55	21030.70
Unallocable expenses (net)						1572.77
						1475.84
Operating income						25376.44
						19554.86
Other income (net)						3740.20
						4466.73
Profit before Exceptional item and tax						29116.64
						24021.59
Exceptional item						-
						528.38
Profit before tax						29116.64
						24549.97
Tax expense						6233.94
						5293.01
Profit for the year						22882.70
						19256.96

Notes forming part of the Financial Statements

30) SEGMENT REPORTING (contd.)

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
As at March 31, 2016						
Segment assets	7130.90	1938.46	2797.72	3051.07	7467.41	22385.56
	<i>6164.34</i>	<i>1809.16</i>	<i>2620.90</i>	<i>2947.68</i>	<i>6509.17</i>	<i>20051.25</i>
Unallocable assets						55282.98
						<i>43014.05</i>
Total assets						77668.54
						<i>63065.30</i>
Segment liabilities	1123.13	126.70	137.92	280.21	570.25	2238.21
	<i>1774.71</i>	<i>290.22</i>	<i>472.25</i>	<i>490.29</i>	<i>1049.27</i>	<i>4076.74</i>
Unallocable liabilities						16563.47
						<i>13572.12</i>
Total liabilities						18801.68
						<i>17648.86</i>
Year ended March 31, 2016						
Other Information						
Capital Expenditure (unallocable)						2385.43
						<i>2599.67</i>
Depreciation and amortisation (unallocable)						1559.19
						<i>865.39</i>
Other significant non cash expense (allocable)	29.41	7.29	8.09	11.34	62.94	119.07
	<i>19.34</i>	<i>6.46</i>	<i>47.08</i>	<i>1.08</i>	<i>62.69</i>	<i>136.65</i>
Other significant non cash expense (net) (unallocable)						-
						<i>2.50</i>

The following geographic segments individually contribute 10 percent or more of the Company's revenue and segment assets.

(₹ crores)

Geographic segments	Revenue for the year ended March 31, 2016	Segment assets as at March 31, 2016
Americas	49248.66	9288.17
	<i>41969.70</i>	<i>9331.78</i>
Europe	22409.07	6677.58
	<i>19965.38</i>	<i>5931.83</i>
India	6182.38	5659.67
	<i>4875.99</i>	<i>4202.63</i>

Previous years' figures are in italics.

Notes forming part of the Financial Statements**31) RELATED PARTY DISCLOSURES****A) Related parties and their relationship****I) Holding Company**

Tata Sons Limited

II)(A) Subsidiaries (Direct holding)

1. CMC Limited (amalgamated with Tata Consultancy Services w.e.f. 01.04.2015)
2. CMC Americas Inc.
3. Tata Consultancy Services Sverige AB
4. Tata Consultancy Services Asia Pacific Pte Ltd.

5. TCS Iberoamerica SA

6. Tata Consultancy Services Netherlands BV

II)(B) Subsidiaries (Indirect holding)

- i. CMC eBiz Inc.
- ii. Tata Consultancy Services Malaysia Sdn Bhd
- iii. Tata Consultancy Services (China) Co., Ltd.
- iv. PT Tata Consultancy Services Indonesia
- v. Tata Consultancy Services (Thailand) Limited
- vi. Tata Consultancy Services (Philippines) Inc.
- vii. Nippon TCS Solution Center Limited (merged with Tata Consultancy Services Japan Ltd. w.e.f 01.07.2014)
- viii. Tata Consultancy Services Japan Ltd. (merged with IT Frontier Corporation (a subsidiary of Mitsubishi Corporation) w.e.f 01.07.2014)
- ix. Tata Consultancy Services Japan, Ltd. (new entity formed w.e.f 1.07.2014 pursuant to the merger of Tata Consultancy Services Japan Ltd. and IT Frontier Corporation)
- x. TCS Solution Center S.A.
- xi. Tata Consultancy Services Argentina S.A.
- xii. Tata Consultancy Services De Mexico S.A., De C.V.
- xiii. TCS Inversiones Chile Limitada
- xiv. Tata Consultancy Services Do Brasil Ltda
- xv. Tata Consultancy Services Chile S.A.
- xvi. TATASOLUTION CENTER S.A.
- xvii. TCS Uruguay S.A.
- xviii. MGDC S.C.
- xix. Technology Outsourcing S.A.C. (new entity acquired on 30.10.2015)
- xx. Tata Consultancy Services Luxembourg S.A.
- xxi. Tata Consultancy Services Switzerland Ltd.
- xxii. Tata Consultancy Services France S.A.S.
- xxiii. TCS Italia SRL
- xxiv. Tata Consultancy Services Osterreich GmbH
- xxv. Tata Consultancy Services Danmark ApS
- xxvi. Tata Consultancy Services De Espana S.A.
- xxvii. Tata Consultancy Services Portugal Unipessoal Limitada
- xxviii. Alti S.A.

Notes forming part of the Financial Statements

31) RELATED PARTY DISCLOSURES (contd.)

A) Related parties and their relationship (contd.)

II)(A) Subsidiaries (Direct holding)

7. TCS FNS Pty Limited
8. APTOnline Limited
(formerly APOne Limited)
9. Tata America International Corporation
10. Tata Consultancy Services Belgium S.A.
11. Tata Consultancy Services Deutschland GmbH
12. WTI Advanced Technology Limited
(Amalgamated with Tata Consultancy Services Limited pursuant to the order dated 27.03.2015 of the Hon'ble High Court of Judicature at Bombay)
13. Tata Consultancy Services Canada Inc.
14. Diligenta Limited
15. C-Edge Technologies Limited
16. MP Online Limited
17. Tata Consultancy Services Morocco SARL
AU (liquidated w.e.f. 30.05.2014 vide court order dated 07.08.2014)
18. Tata Consultancy Services (Africa)(PTY) Ltd.
19. TCS e-Serve International Limited
20. MahaOnline Limited
21. Tata Consultancy Services Qatar S. S. C.
22. Computational Research Laboratories Inc.
(liquidated w.e.f. 18.02. 2015)
23. TCS Foundation (entity incorporated on 13.03.2015 under Section 8 of the Companies Act, 2013)

II)(B) Subsidiaries (Indirect holding)

- x. Planaxis Technologies Inc.
- xi. Alti HR S.A.S.
- xii. Alti Infrastructures Systemes & Reseaux S.A.S.
- xiii. Alti NV
- xiv. Tescom (France) Software Systems Testing S.A.R.L.
- xv. Alti Switzerland S.A.
- xvi. Teamlink
- xvii. Tata Consultancy Services Saudi Arabia (New entity incorporated on 02.07.2015)
 - i. TCS Financial Solutions Australia Holdings Pty Limited
 - ii. TCS Financial Solutions Australia Pty Limited
 - iii. PT Financial Network Services
 - iv. TCS Management Pty Ltd.(liquidated w.e.f 23.03.2015)
 - v. TCS Financial Solution (Beijing) Co. Ltd.
- i. MS CJV Investments Corporation
- i. Diligenta 2 Limited
- i. Tata Consultancy Services (South Africa) (PTY) Ltd.
- i. TCS e-Serve America, Inc.

III) Fellow Subsidiaries with whom the Company has transactions

- Infiniti Retail Limited
- Tata AIG General Insurance Company Limited
- Tata AIA Life Insurance Company Limited
- Tata Investment Corporation Limited

Notes forming part of the Financial Statements**31) RELATED PARTY DISCLOSURES (contd.)****A) Related parties and their relationship (contd.)**

- Tata Limited
- Tata Advanced Systems Limited
- Tata Asset Management Limited
- Tata Business Support Services Limited
- Tata Capital Limited
- Tata Housing Development Company Limited
- Tata Consulting Engineers Limited
- Tata Sky Limited
- Tata Realty And Infrastructure Limited
- e-Nxt Financials Limited (merged with Tata Business Support Services Limited w.e.f. 01.07.2015)
- Tata Industries Limited
- Tata International Limited
- Drive India Enterprise Solutions Limited (ceased w.e.f. 01.09.2015)
- Nova Integrated System Limited
- Tata Sikorsky Aerospace Limited (formerly Tara Aerospace Systems Limited)
- TBSS Healthcare TPA Services Limited
- Tata Capital Housing Finance Limited
- TC Travel And Services Limited
- Tata Securities Limited
- Tata Capital Forex Limited
- Tata Capital Financial Services Limited
- Tata Cleantech Capital Limited
- Tata Value Homes Limited (formerly Smart Value Homes Limited)
- Tata Interactive Systems GmbH
- Tata Interactive Systems AG
- Tata Unistore Limited (named changed w.e.f. 13.05.2015) (formerly Tata Industrial Services Limited)
- Tata Africa Holdings (SA) (Proprietary) Limited
- TATA Africa Holdings (Kenya) Limited
- TATA Africa Holdings (Tanzania) Limited
- Tata Africa Services (Nigeria) Limited
- Tata Uganda Limited
- Tata Zambia Limited
- Calsea Footwear Private Limited
- Tata SIA Airlines Limited
- Taj Air Limited
- TRIL Infopark Limited
- Tata Autocomp Systems Limited
- Tata Lockheed Martin Aerostructures Limited (formerly Tata Aerostructures Limited)
- Panatone Finvest Limited

IV) Key Management Personnel

- Mr. N. Chandrasekaran, Chief Executive Officer and Managing Director
- Mr. Rajesh Gopinathan, Chief Financial Officer
- Ms. Aarthi Subramanian, Executive Director (w.e.f. 12.03.2015)

Notes forming part of the Financial Statements

31) RELATED PARTY DISCLOSURES (contd.)

B) Transactions with related parties for the year ended March 31, 2016

	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Management Personnel and their relatives	Total
					(₹ crores)
Brand equity contribution	75.00	-	-	-	75.00
	75.00	-	-	-	75.00
Purchase of fixed assets	-	-	29.91	-	29.91
	-	1.20	66.73	-	67.93
Loans and advances given	-	0.34	0.89	-	1.23
	-	14.40	-	-	14.40
Loans and advances repaid	-	11.27	-	-	11.27
	-	40.33	0.05	-	40.38
Inter-corporate deposits placed	-	-	-	-	-
	-	-	-	-	-
Inter-corporate deposits matured	-	-	-	-	-
	-	-	380.00	-	380.00
Purchase of investments	-	8.18	8583.00	-	8591.18
	-	-	6917.57	-	6917.57
Redemption / sale of investments	-	101.75	8617.87	-	8719.62
	29.43	253.36	6284.56	-	6567.35
Revenue (including reimbursements)	4.27	53069.96	222.56	-	53296.79
	2.37	45575.72	231.68	-	45809.77
Interest income	-	0.16	-	-	0.16
	49.61	1.31	29.40	-	80.32
Dividend income	-	695.51	-	-	695.51
	-	1334.65	-	-	1334.65
Rent income	-	2.99	-	-	2.99
	-	2.50	-	-	2.50
Other income	-	38.69	-	-	38.69
	-	35.91	-	-	35.91
Purchase of goods, services and facilities (including reimbursements)	3.35	3185.20	632.74	-	3821.29
	0.64	3045.17	266.62	-	3312.43
Rent expense	0.98	20.25	26.07	-	47.30
	0.98	89.02	26.59	-	116.59
Provision / (Write back of provision) for doubtful receivables, advances (net)	-	(0.02)	(0.07)	-	(0.09)
	-	(19.72)	0.40	-	(19.32)
Bad debts written off	-	0.01	0.04	-	0.05
	-	0.34	-	-	0.34
Advances written off	-	-	-	-	-
	-	19.37	-	-	19.37
Dividend paid on equity shares	5845.98	-	4.20	0.37	5850.55
	10825.89	-	12.78	0.66	10839.33
Dividend paid on redeemable preference shares	-	-	-	-	-
	28.68	-	-	-	28.68
Guarantees given	-	2.76	-	-	2.76
	-	0.25	-	-	0.25
Remuneration	-	-	-	43.26*	43.26
	-	-	-	23.50	23.50

Notes forming part of the Financial Statements

31) RELATED PARTY DISCLOSURES (contd.)
C) Balances with related parties as at March 31, 2016

(₹ crores)

	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Management Personnel and their relatives	Total
Trade receivables, Unbilled revenue, Loans and advances, Other assets (net)	4.40	10481.24	112.74	-	10598.38
	3.77	10016.37	109.89	-	10130.03
Trade payables, Income received in advance, Advances from customers, Other liabilities	67.73	1503.49	20.13	-	1591.35
	68.67	1509.14	35.60	-	1613.41
Guarantees	-	3225.31	-	-	3225.31
	-	3310.95	-	-	3310.95
Investment in debentures / mutual funds / bonds	-	-	610.00	-	610.00
	-	-	595.00	-	595.00

Previous years' figures are in italics
D) Disclosure of material transactions with related parties

(₹ crores)

	2016	2015
<u>Purchase of fixed assets</u>		
TRIL Infopark Limited	5.90	0.54
Tata Consulting Engineers Limited	17.03	18.66
Tata Realty and Infrastructure Limited	1.79	46.68
Tata Interactive Systems GmbH	5.17	0.73
<u>Loans and advances given during the year</u>		
CMC Limited	-	12.46
Taj Air Limited	0.84	-
TCS e-Serve International Limited	0.16	0.40
<u>Loans and advances repaid during the year</u>		
TCS FNS Pty Limited	8.68	37.31
C-Edge Technologies Limited	2.00	1.99
<u>Inter-corporate deposits matured</u>		
Tata Realty and Infrastructure Limited	-	50.00
Tata Housing Development Company Limited	-	50.00
Tata Capital Financial Services Limited	-	280.00
<u>Purchase of investments</u>		
Tata Asset Management Limited	8583.00	6856.74
<u>Redemption / sale of investments</u>		
Tata Asset Management Limited	8617.87	6284.56
<u>Revenue (including reimbursements)</u>		
Tata America International Corporation	43396.54	36962.35
<u>Interest income</u>		
Tata Sons Limited	-	49.61
Panatone Finvest Limited	-	8.85
Tata Capital Financial Services Limited	-	13.75
TCS FNS Pty Limited	0.06	-
Tata Consultancy Services Switzerland Ltd.	0.10	0.14

Notes forming part of the Financial Statements

31) RELATED PARTY DISCLOSURES (contd.)

D) Disclosure of material transactions with related parties (contd.)

(₹ crores)

	2016	2015
<u>Dividend income</u>		
Tata America International Corporation	-	766.17
Tata Consultancy Services Canada Inc.	73.89	193.37
TCS e-Serve International Limited	25.00	202.00
CMC Americas Inc.	99.48	-
Tata Consultancy Services Asia Pacific Pte Ltd.	297.19	-
Tata Consultancy Services Deutschland GmbH	73.07	-
Diligenta Limited	100.43	-
<u>Rent income</u>		
TCS e-Serve International Limited	2.80	2.19
<u>Other income</u>		
Diligenta Limited	25.97	25.07
TCS e-Serve International Limited	8.50	6.34
<u>Purchase of goods, services and facilities (including reimbursements)</u>		
CMC Americas Inc.	1170.34	1110.19
Tata America International Corporation	587.68	578.86
Tata Capital Forex Limited (formerly TT Holdings & Services Limited)	489.57	216.92
<u>Rent expense</u>		
CMC Limited	-	69.44
Diligenta Limited	17.69	17.23
TRIL Infopark Limited	24.35	24.90
<u>Provision / (Write back of provision) for doubtful receivables, advances (net)</u>		
Tata Consultancy Services Morocco SARL AU (liquidated w.e.f. 30.05.2014 vide court order dated 07.08.2014)	-	(19.37)
Tata Sky Limited	0.21	0.32
Drive India Enterprise Solutions Limited	0.05	(0.28)
Infiniti Retail Limited	(0.33)	0.35
Tata Capital Limited	(0.18)	-
TATA Africa Holdings (Kenya) Limited	0.18	(0.04)
<u>Bad debts written off</u>		
Tata Consultancy Services (Thailand) Limited	-	0.33
Tata AIG General Insurance Company Limited	0.04	-
APOnline Limited (formerly APOne Limited)	0.01	0.01
<u>Advances written off</u>		
Tata Consultancy Services Morocco SARL AU (liquidated w.e.f. 30.05.2014 vide court order dated 07.08.2014)	-	19.37
<u>Guarantees given during the year</u>		
Tata Consultancy Services Asia Pacific Pte Ltd.	2.76	0.25
<u>Remuneration to Key Management Personnel</u>		
Mr. N.Chandrasekaran	36.66*	21.28

Notes forming part of the Financial Statements

31) RELATED PARTY DISCLOSURES (contd.)

E) Disclosure of material balances with related parties

(₹ crores)

	As at March 31, 2016	As at March 31, 2015
Trade receivables, unbilled revenues, loans and advances and other assets (net)		
Tata America International Corporation	7459.43	7266.20
Trade payables, income received in advance, advances from customers, other liabilities		
Tata America International Corporation	742.39	629.20
CMC Americas Inc.	123.85	274.79
Guarantees outstanding		
Diligenta Limited	2716.40	2694.55
Investment in debentures / mutual funds / bonds		
Tata Asset Management Limited	610.00	595.00

*Includes the one-time bonus paid to eligible employees

32) OBLIGATIONS TOWARDS OPERATING LEASES

(₹ crores)

Particulars	As at March 31, 2016	As at March 31, 2015
Non-cancellable operating lease obligations		
Not later than one year	386.37	511.72
Later than one year but not later than five years	1283.53	1590.64
Later than five years	986.14	1474.45
Total	2656.04	3576.81

Rent expense of ₹ 439.19 crores (Previous year: ₹ 550.93 crores) in respect of obligations under non-cancellable operating leases and ₹ 619.46 crores (Previous year: ₹ 521.77 crores) in respect of cancellable operating leases have been charged to the statement of profit and loss.

33) OBLIGATIONS TOWARDS FINANCE LEASES

(₹ crores)

Particulars	As at March 31, 2016	As at March 31, 2015
Assets acquired under finance leases		
(i) Minimum lease payments:		
Not later than one year	24.13	33.08
Later than one year but not later than five years	47.48	59.27
Later than five years	32.92	44.35
Total	104.53	136.70
(ii) Present value of minimum lease payments:		
Not later than one year	15.24	22.11
Later than one year but not later than five years	23.28	30.92
Later than five years	26.49	33.21
	65.01	86.24
Add: Future finance charges	39.52	50.46
Total	104.53	136.70

Notes forming part of the Financial Statements

34) EARNINGS PER EQUITY SHARE

Particulars	2016	2015
Profit for the year (₹ crores)	22882.70	19256.96
Amount available for equity shareholders (₹ crores)	22882.70	19256.96
Weighted average number of shares	197,04,27,941	195,87,27,979
Earning per share - Basic and diluted (₹)	116.13	98.31
Face value per equity share (₹)	1.00	1.00

35) AUDITORS' REMUNERATION

Particulars	(₹ crores)	
	2016	2015
Services as statutory auditors (including quarterly audits)	4.50	3.75
Audit of financial statements as per IFRS	3.00	2.50
Tax audit	0.63	0.53
Services for tax matters	0.85	0.70
SSAE 16 and other matters	3.03	1.47
Reimbursement of out-of-pocket expenses	0.16	0.16
Service tax	1.71	1.13

Service tax credit has been / will be availed.

In addition to the above, fees amounting to ₹ 1.41 crores (Previous year: ₹ 1.97 crores) 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.

36) CONTINGENT LIABILITIES

Particulars	(₹ crores)	
	As at March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debt (See (a) below)	6873.46	40.72
Income tax demands (See (b) below)	7955.14	3901.82
Indirect tax demands (See (c) below)	192.89	61.01
Guarantees given by the Company on behalf of subsidiaries (See (d) below)	3225.31	3310.95

- In October 2014, Epic Systems Corporation ('Epic') filed a legal claim against the Company in the Court of Western District Madison, Wisconsin for alleged unauthorised download and misuse of Epic's confidential information and trade secrets. In April 2016, the Company received an unfavorable jury verdict awarding damages totaling ₹ 6227.03 crores (US \$940 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.
- In respect of income tax demands of ₹ 318.20 crores (March 31, 2015: ₹ 318.20 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.
- In respect of indirect tax demands of ₹ 8.53 crores (March 31, 2015: ₹ 8.53 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.
- The Company has provided guarantees aggregating ₹ 2716.40 crores (GBP 285.08 million) (March 31, 2015: ₹ 2694.55 crores) (GBP 291.30 million) to third parties on behalf of its subsidiary Diligenta Limited. The Company does not expect any outflow of resources in respect of the above.

Notes forming part of the Financial Statements

37) CAPITAL AND OTHER COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1446.17 crores (March 31, 2015: ₹ 1844.08 crores).
- b) The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of balance ₹ 24,486.94 per unit of 1,000 units aggregating to ₹ 2.45 crores (March 31, 2015: ₹ 2.96 crores)

38) DERIVATIVE FINANCIAL INSTRUMENTS

The Company, in accordance with its risk management policies and procedures, enters into foreign exchange forwards, options and futures contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Company has outstanding foreign exchange option contracts, which have been designated as Cash Flow Hedges, as at:

	March 31, 2016			March 31, 2015		
	No. of Contracts	Notional amount of contracts (million)	Fair Value (₹ crores)	No. of Contracts	Notional amount of contracts (million)	Fair Value (₹ crores)
Foreign Currency						
U.S. Dollar	9	225.00	41.44	-	-	-
Sterling Pound	8	160.00	51.85	18	297.00	67.05
Euro	24	285.00	19.51	9	171.00	87.78
Australian Dollar	21	228.00	(12.47)	6	97.00	31.15

The movement in Hedging Reserve for derivatives designated as Cash Flow Hedges is as follows:

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Intrinsic Value	Time Value	Intrinsic Value	Time Value
Balance at the beginning of the year	151.42	(0.67)	24.88	4.76
Changes in the fair value of effective portion of Cash Flow Hedges	249.82	(338.69)	905.89	(440.18)
(Gains)/losses transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	(323.09)	317.98	(779.35)	434.75
Balance at the end of the year	78.15	(21.38)	151.42	(0.67)

(₹ crores)

Net gain on derivative instruments of ₹ 56.77 crores recognised in Hedging Reserve as at March 31, 2016, is expected to be transferred to the statement of profit and loss by March 31, 2017.

In addition to the above Cash Flow Hedges, the Company has outstanding foreign exchange forwards, options and future contracts with notional amount aggregating ₹ 22143.66 crores (March 31, 2015: ₹ 19949.03 crores) whose fair value showed a gain of ₹ 284.48 crores as at March 31, 2016 (March 31, 2015: gain of ₹ 159.65 crores). Exchange gain of ₹ 180.55 crores (March 31, 2015: Exchange gain of ₹ 1363.87 crores) on foreign exchange forwards, options and future contracts for the year ended March 31, 2016 have been recognised in the statement of profit and loss.

As at March 31, 2016, the Company has net foreign currency exposures that are not hedged by derivative instruments or otherwise amounting to ₹ 2119.01 crores (March 31, 2015: ₹ 2884.79 crores)

Notes forming part of the Financial Statements

39) MICRO AND SMALL ENTERPRISES

(₹ crores)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Principal	Interest	Principal	Interest
Amount due to vendor	15.48	0.10	7.74	0.02
Principal amount paid (includes unpaid) beyond the appointed date	175.40	-	247.61	-
Interest due and payable for the year	-	0.82	-	0.75
Interest accrued and remaining unpaid (includes interest disallowable of ₹ 2.98 crores (Previous year: ₹ 2.16 crores))	-	2.98	-	2.16

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.

40) INCOME IN FOREIGN CURRENCY

(₹ crores)

Particulars	2016	2015
(a) Revenue from operations	81193.85	70680.70
(b) Interest income	5.37	5.41
(c) Dividend income	647.10	1090.29
(d) Other income (net)	38.41	41.92

41) EXPENDITURE IN FOREIGN CURRENCY

(₹ crores)

Particulars	2016	2015
(a) Royalty	8.84	1.85
(b) Legal and professional fees	190.54	189.27
(c) Interest	2.64	9.27
(d) Overseas employee costs	7090.34	5193.50
(e) Overseas business expenses	13054.16	11636.80
(f) Services rendered by business associates and others	5762.89	4682.61
(g) Software, hardware and material cost	1046.03	1002.32
(h) Communication expenses	326.49	317.87
(i) Travelling and conveyance expenses	369.23	258.43
(j) Other operating expenses	818.44	678.26
(k) Foreign taxes	884.93	775.38

42) VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ crores)

Particulars	2016	2015
Raw materials, sub-assemblies and components	27.66	47.37
Capital goods	474.13	523.21
Stores and spare parts	0.31	0.03

Notes forming part of the Financial Statements

43) VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SUB-ASSEMBLIES AND COMPONENTS, STORES AND SPARE PARTS CONSUMED

Particulars	2016		2015	
	(₹ crores)	%	(₹ crores)	%
Raw materials, sub-assemblies and components				
Imported:	28.31	72.42	46.08	71.31
Indigenous:	10.78	27.58	18.54	28.69
	<u>39.09</u>	<u>100.00</u>	<u>64.62</u>	<u>100.00</u>
Stores and spare parts				
Imported:	0.31	41.89	0.03	50.00
Indigenous:	0.43	58.11	0.03	50.00
	<u>0.74</u>	<u>100.00</u>	<u>0.06</u>	<u>100.00</u>

Consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

44) REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDENDS

The Company has remitted ₹ Nil (March 31, 2015: ₹ Nil) in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends declared and paid to non-resident shareholders for the year ended March 31, 2015 and interim dividends for the year ended March 31, 2016, are as under:

	Number of non-resident shareholders	Number of equity shares held	Gross amount of dividend	
			2016 (₹ crores)	2015 (₹ crores)
Final dividend for 2013-14 declared in June 2014	10,690	32,47,83,907	-	649.57
Interim dividend declared in July 2014	10,605	32,79,02,995	-	1475.56
Interim dividend declared in October 2014	11,497	32,96,36,378	-	164.82
Interim dividend declared in January 2015	11,970	33,23,64,092	-	166.18
Final dividend for 2014-15 declared in June 2015 *	12,882	33,80,58,847	813.72	-
Interim dividend declared in July 2015 *	13,047	33,68,72,803	184.53	-
Interim dividend declared in October 2015	13,015	33,63,87,264	185.01	-
Interim dividend declared in January 2016	13,376	33,25,39,442	182.90	-

*Includes dividend declared by CMC Limited

45) 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, 2016:

Subsidiary Company	Outstanding as at March 31, 2016	(₹ crores)	
		Maximum amount outstanding during the year	
TCS FNS Pty Limited *	-	6.18	6.71
Tata Consultancy Services Morocco SARL AU	-	-	45.53
	-	-	5.51

* TCS FNS Pty Limited has made the following investments in its subsidiaries:

	No. of Shares
TCS Financial Solutions Australia Holdings Pty Limited	65,58,424

Previous years' figures are in italics

Notes forming part of the Financial Statements

- 46)** Research and development expenditure aggregating ₹ 232.22 crores (Previous year: ₹192.62 crores), including capital expenditure was incurred during the year.
- 47)** During the year, the Company has incurred an amount of ₹ 294.23 crores (Previous year: ₹218.42 crores) towards Corporate Social Responsibility expenditure.
- 48)** The Company revised its policy of providing depreciation on fixed assets effective April 1, 2014. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis on some assets and straight line basis on others. Further the remaining useful life has also been revised wherever appropriate based on an evaluation. The carrying amount as on April 1, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the year ended March 31, 2015 is higher by ₹ 131.16 crores and the effect relating to the period prior to April 1, 2014 is a net credit of ₹ 528.38 crores (excluding deferred tax of ₹ 129.62 crores) which has been shown as an 'Exceptional Item' in the statement of profit and loss.
- 49)** During the year ended March 31, 2015, an amount of ₹ 2326.42 crores has been recognised in the statement of profit and loss and accrued under Trade Payables in the balance sheet in respect of one-time bonus to eligible employees.
- 50)** Previous years' figures have been recast / restated.

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2015-16

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	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
(₹ crores)															
1	APTOnline Limited (formerly APTOnline Limited)	INR	1.000000	1.77	43.58	169.16	123.81	30.00	163.27	48.07	16.78	31.29	17.70	89%	India
2	MP Online Limited	INR	1.000000	1.00	52.62	91.18	37.56	-	68.60	22.68	8.05	14.63	4.90	89%	India
3	C-Edge Technologies Limited	INR	1.000000	10.00	86.75	190.95	94.20	-	238.79	51.72	18.06	33.66	32.00	51%	India
4	MahaOnline Limited	INR	1.000000	2.55	38.76	143.07	101.76	-	195.43	15.35	5.33	10.02	6.38	74%	India
5	CMC Americas Inc.	USD	66.245000	10.60	121.74	360.46	228.12	0.00	1,572.37	124.46	48.23	76.23	105.99	100%	U.S.A.
6	CMC eBiz Inc.	USD	66.245000	0.01	0.16	2.97	2.80	-	1.54	0.17	0.06	0.11	19.87	100%	U.S.A.
7	TCS e-Serve International Limited	INR	1.000000	10.00	171.86	206.25	24.39	34.20	80.05	25.72	15.13	10.59	-	100%	India
8	TCS e-Serve America, Inc.	USD	66.245000	1.83	13.43	26.49	11.23	-	57.98	(13.18)	(1.24)	(11.94)	-	100%	U.S.A.
9	Diligenta Limited	GBP	95.286795	9.53	567.57	1,024.58	447.48	240.29	1,772.69	(78.06)	(14.28)	(63.78)	95.29	100%	U.K.
10	Diligenta 2 Limited	GBP	95.286795	0.01	74.61	74.62	-	-	195.67	(0.83)	(0.68)	(0.15)	-	100%	U.K.
11	Tata Consultancy Services Canada Inc.	CAD	51.138644	36.13	355.08	962.61	571.40	-	3,148.78	286.45	76.43	210.02	76.71	100%	Canada
12	Tata America International Corporation	USD	66.245000	1.32	2,280.50	11,534.49	9,252.67	125.75	50,882.82	1,163.24	430.76	732.48	-	100%	U.S.A.
13	MS CIV Investments Corporation	USD	66.245000	9.30	-	9.30	-	9.30	-	-	-	-	-	100%	U.S.A.
14	Tata Consultancy Services Asia Pacific Pte Ltd.	USD	66.245000	29.15	475.11	968.74	464.48	487.75	1,877.46	204.72	25.34	179.38	298.10	100%	Singapore
15	Tata Consultancy Services (China) Co., Ltd.	CNY	10.249567	206.98	(52.39)	224.13	69.54	-	466.34	27.27	5.06	22.21	-	90%	China
16	Tata Consultancy Services Japan, Ltd.	JPY	0.589499	255.11	536.69	1,573.74	781.94	-	3,674.75	156.01	56.84	99.17	51.68	51%	Japan
17	Tata Consultancy Services Malaysia Sdn Bhd	MYR	17.007702	3.40	86.29	154.62	64.93	0.01	311.25	49.35	11.46	37.89	25.51	100%	Malaysia
18	PT Tata Consultancy Services Indonesia	IDR	0.005016	0.50	27.40	40.12	12.22	-	58.52	19.69	7.33	12.36	19.29	100%	Indonesia
19	Tata Consultancy Services (Philippines) Inc.	PHP	1.442382	39.84	116.26	276.87	120.77	0.00	569.92	27.20	0.85	26.35	-	100%	Philippines
20	Tata Consultancy Services (Thailand) Limited	THB	1.883860	1.51	8.73	13.28	3.04	-	18.86	0.68	0.21	0.47	-	100%	Thailand
21	Tata Consultancy Services Belgium S.A.	EUR	75.274218	1.42	173.61	401.56	226.53	0.01	939.12	68.58	22.38	46.20	-	100%	Belgium
22	Tata Consultancy Services Deutschland GmbH	EUR	75.274218	1.13	112.52	611.24	497.59	-	1,965.21	87.33	27.81	59.52	75.27	100%	Germany
23	Tata Consultancy Services Sverige AB	SEK	8.149520	0.08	209.74	728.29	518.47	-	1,608.94	87.79	20.98	66.81	-	100%	Sweden
24	Tata Consultancy Services Netherlands BV	EUR	75.274218	496.81	1,188.64	1,991.30	305.85	1,197.42	2,034.03	344.76	86.48	258.28	-	100%	Netherlands
25	TCS Italia SRL	EUR	75.274218	16.56	(16.03)	121.55	121.02	-	258.32	(4.23)	4.74	(8.97)	-	100%	Italy
26	Tata Consultancy Services Luxembourg S.A.	EUR	75.274218	42.15	(12.59)	72.51	42.95	-	154.48	10.05	(3.63)	13.68	-	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	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	
27	Tata Consultancy Services Switzerland Ltd.	CHF	68.761677	10.31	163.36	563.22	389.55	51.58	1,593.05	104.22	20.15	84.07	-	100%	Switzerland	
28	Tata Consultancy Services France SAS	EUR	75.274218	2.26	(57.13)	306.69	361.56	-	644.35	(9.29)	6.51	(15.80)	-	100%	France	
29	Tata Consultancy Services Österreich GmbH	EUR	75.274218	0.26	2.76	21.10	18.08	-	19.28	0.08	0.02	0.06	-	100%	Austria	
30	Tata Consultancy Services Danmark ApS	DKK	10.100941	1.01	41.23	46.58	4.34	-	18.62	0.34	0.08	0.26	-	100%	Denmark	
31	Tata Consultancy Services De Espana S.A.	EUR	75.274218	0.45	0.84	101.71	100.42	0.04	229.09	(7.55)	-	(7.55)	-	100%	Spain	
32	Tata Consultancy Services Portugal Unipessoal Limitada	EUR	75.274218	0.04	(12.64)	18.44	31.04	-	22.87	(4.31)	-	(4.31)	-	100%	Portugal	
33	Alti S.A.	EUR	75.274218	2.76	(184.18)	521.36	702.78	109.78	771.55	(165.85)	16.95	(182.80)	-	100%	France	
34	Alti HR S.A.S.	EUR	75.274218	0.28	11.91	14.36	2.17	-	6.65	(0.19)	0.11	(0.30)	-	100%	France	
35	Tescom (France) Software Systems Testing S.A.R.L.	EUR	75.274218	0.75	(6.45)	4.41	10.11	-	12.55	0.79	0.27	0.52	-	100%	France	
36	Alti Switzerland S.A.	CHF	68.761677	0.62	10.49	18.68	7.57	-	50.59	2.15	0.61	1.54	-	100%	Switzerland	
37	Alti Infrastructures Systemes & Reseaux S.A.S.	EUR	75.274218	0.38	1.41	4.94	3.15	-	11.89	0.68	0.21	0.47	-	100%	France	
38	Alti NV	EUR	75.274218	6.17	6.29	33.70	21.24	-	66.99	(9.15)	0.01	(9.16)	-	100%	Belgium	
39	Teamlink	EUR	75.274218	0.47	(0.60)	0.07	0.20	-	-	(0.02)	-	(0.02)	-	100%	Belgium	
40	Planaxis Technologies Inc.	EUR	75.274218	-	46.80	98.15	51.35	-	45.94	(5.65)	1.46	(7.11)	-	100%	Canada	
41	Tata Consultancy Services Saudi Arabia	SAR	17.663449	6.62	(0.47)	6.62	0.47	-	-	(0.47)	-	(0.47)	-	76%	Saudi Arabia	
42	Tata Consultancy Services (Africa) (PTY) Ltd.	ZAR	4.462896	6.25	0.15	6.44	0.04	6.02	-	3.89	0.01	3.88	3.75	100%	South Africa	
43	Tata Consultancy Services (South Africa) (PTY) Ltd.	ZAR	4.462896	8.03	61.68	196.99	127.28	-	529.36	29.90	11.27	18.63	5.22	75%	South Africa	
44	TCS FNS Pty Limited	AUD	50.843038	189.44	(25.61)	168.15	4.32	170.57	-	(0.05)	-	(0.05)	-	100%	Australia	
45	TCS Financial Solutions Beijing Co., Ltd.	CNY	10.249567	1.98	(7.25)	98.09	103.36	-	105.60	12.48	(1.06)	13.54	-	100%	China	
46	TCS Financial Solutions Australia Holdings Pty Limited	AUD	50.843038	70.82	(20.55)	50.27	-	1.92	-	-	-	-	-	100%	Australia	
47	TCS Financial Solutions Australia Pty Limited	AUD	50.843038	-	95.35	180.68	85.33	1.64	85.77	67.21	3.46	63.75	-	100%	Australia	
48	PT Financial Network Services	USD	66.245000	0.40	(1.49)	-	1.09	-	-	-	0.17	(0.17)	-	100%	Indonesia	
49	TCS Iberoamerica SA	UYU	2.065960	651.97	480.78	1,307.45	174.70	1,307.15	-	74.02	2.13	71.89	-	100%	Uruguay	
50	TCS Solution Center S.A.	UYU	2.065960	40.84	6.38	264.74	217.52	-	363.80	(9.89)	6.11	(16.00)	-	100%	Uruguay	
51	Tata Consultancy Services Argentina S.A.	ARS	4.534844	19.10	(42.80)	27.20	50.90	-	48.13	(43.93)	0.01	(43.94)	-	99.99%	Argentina	
52	Tata Consultancy Services Do Brasil Ltda	BRL	18.420833	290.07	(266.23)	246.66	222.82	-	398.26	(13.96)	2.48	(16.44)	-	100%	Brazil	
53	Tata Consultancy Services De Mexico S.A., De C.V.	MXN	3.840334	1.01	375.28	775.19	398.90	-	1,447.41	95.19	32.19	63.00	41.26	100%	Mexico	

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2015-16

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	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
54	Tata Consultancy Services Chile S.A.	CLP	0.098425	167.29	437.02	722.14	117.83	65.78	413.99	90.07	(9.43)	99.50	-	100%	Chile
55	TCS Inversiones Chile Limitada	CLP	0.098425	150.49	163.24	317.03	3.30	316.21	-	1.27	0.05	1.22	-	99.99%	Chile
56	TATASOLUTION CENTER S.A.	USD	66.245000	19.88	152.45	378.38	206.05	-	759.53	132.85	31.82	101.03	132.49	100%	Ecuador
57	TCS Uruguay S.A.	UYU	2.065960	0.11	72.99	100.52	27.42	0.02	193.25	55.09	(0.78)	55.87	36.62	100%	Uruguay
58	MGDC S.C.	MXN	3.840334	0.02	89.54	191.95	102.39	-	849.22	43.37	17.00	26.37	-	100%	Mexico
59	TECHNOLOGY OUTSOURCING S.A.C	PEN	19.708735	10.77	(1.21)	20.98	11.42	-	28.98	(1.67)	(0.47)	(1.20)	-	100%	Peru
60	Tata Consultancy Services Qatar S.S.C.	QAR	18.192678	3.64	54.32	76.40	18.44	-	150.84	20.99	1.93	19.06	-	100%	Qatar
61	TCS Foundation	INR	1.000000	1.00	274.73	282.75	7.02	282.11	-	129.29	-	129.29	-	100%	India

Notes:

- 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 31.03.2016
- On July 2, 2015, the Company through its wholly owned subsidiary, Tata Consultancy Services Netherlands BV, subscribed to 76 percent share capital of Tata Consultancy Services Saudi Arabia
- CMC Limited was amalgamated with TCS with effect from April 1, 2015 in accordance with the terms of the Scheme of Amalgamation sanctioned by the High Court of judicature at Bombay vide their Order dated August 14, 2015.
- The shares for TECHNOLOGY OUTSOURCING S.A.C were subscribed for on October 30, 2015

For and on behalf of the Board

Cyrus Mistry
Chairman

Aman Mehta
Director

Dr. Ron Sommer
Director

O. P. Bhatt
Director

Suprakash Mukhopadhyay
Company Secretary

N. Chandrasekaran
CEO and Managing Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Aarthi Subramanian
Executive Director

Prof. Clayton M. Christensen
Director

V. Thyagarajan
Director

Phiroz Vandrevalla
Director

Rajesh Gopinathan
Chief Financial Officer

Mumbai, April 18, 2016



TATA CONSULTANCY SERVICES LIMITED

CIN: L22210MH1995PLC084781

Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

Phone: 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)

21ST ANNUAL GENERAL MEETING ON FRIDAY, JUNE 17, 2016 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

Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

Phone: 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

2. Name: E-mail Id:

Address:

Signature:

or failing him

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 first Annual General Meeting of the Company to be held on Friday, June 17, 2016 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:

1. To receive, consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2016, 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, 2016, 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 2015-16.
3. To appoint a Director in place of Mr. Ishaat Hussain (DIN:00027891), who retires by rotation and, being eligible, offers himself for re-appointment and his term would be up to September 2, 2017.
4. Ratification of Appointment of Auditors.
5. Appointment of Branch Auditors.

Signed this day of 2016

Signature of shareholder..... Signature of Proxyholder(s).....

Affix
Revenue
Stamp

- 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.

SHAREHOLDERS ARE REQUESTED TO SUBMIT THIS FORM TO THE DEPOSITORY PARTICIPANT

To, (Name of the Depository Participant)

Updation of Shareholder Information

I / We request you to record the following information against my /our Folio No. /DP ID /Client ID :

General Information:

Folio No. /DP ID /Client ID :	
Name of the first named Shareholder:	
PAN: *	
CIN / Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I /We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I /we would not hold the Company /RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I /We understand that the above details shall be maintained till I /we hold the securities under the above mentioned Folio No. /beneficiary account.

Place :
Date :

Signature of Sole /First holder



TCS Sahyadri Park, Pune

Spread over 48 acres of land in Pune, India, TCS Sahyadri Park is one of TCS' largest delivery facilities globally and can accommodate over 23,000 associates. Named after the rolling Sahyadri Mountains that surround it on three sides, the center's design is inspired by Maratha architecture.

With 3.2 million sq. ft. of constructed and 60% landscaped areas, TCS Sahyadri Park has been built in line with global standards of comfort and care and has received LEED Gold certification in environmental standards.

TATA CONSULTANCY SERVICES

Experience certainty.

IT Services
Business Solutions
Consulting

Tata Consultancy Services Limited
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www.tcs.com

