TATA

TCS/SE/68/2018-19

June 20, 2018

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

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 2017-18

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2017-18 approved and adopted by the members as per the provisions of the Companies Act, 2013, at the 23rd Annual General Meeting of the Company held on Friday, June 15, 2018 at 3.30 p.m. and concluded at 6.50 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**

Rajendra Moholkar
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

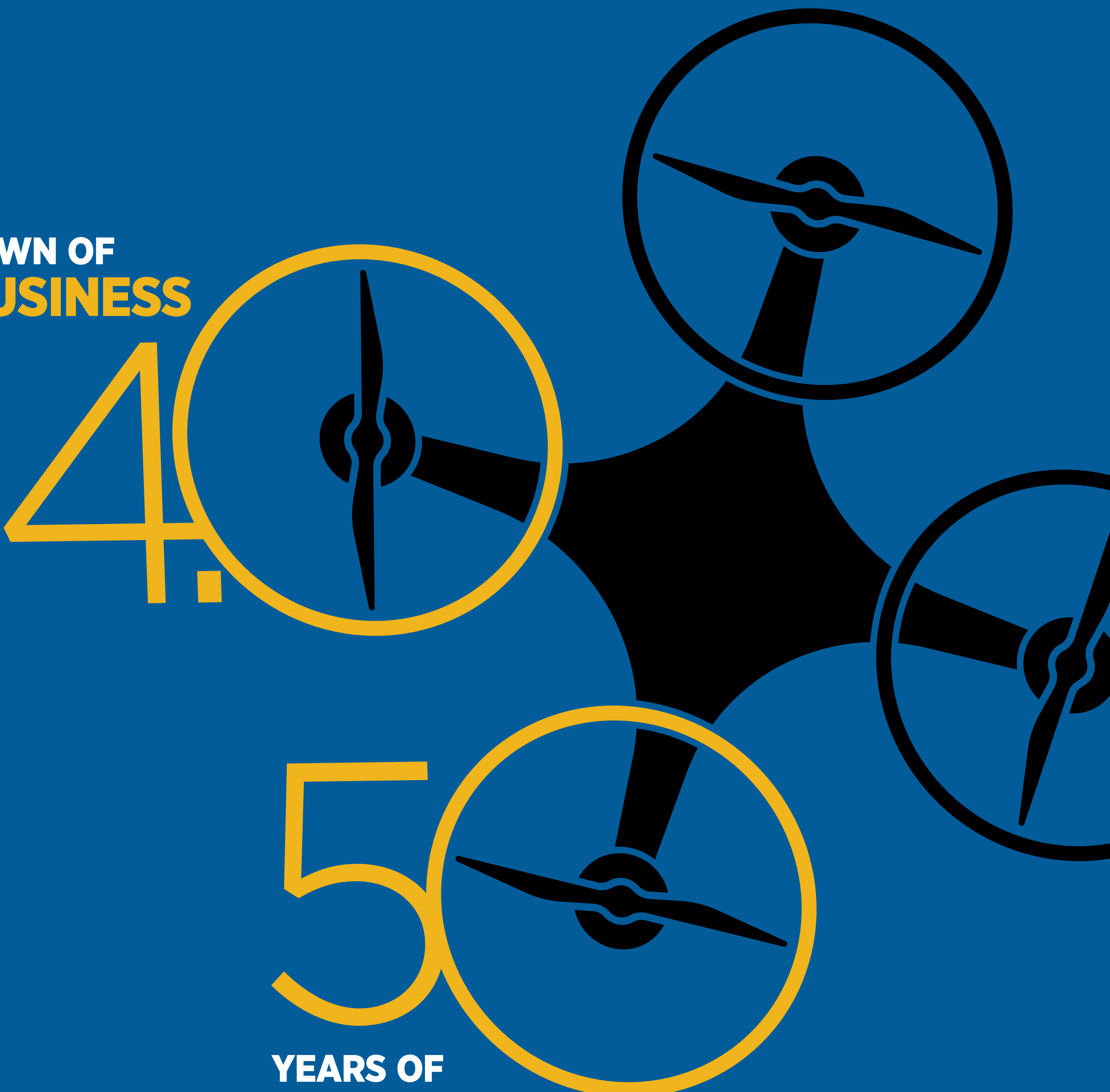
2. **Central Depository Services (India) Limited**
   Marathon Futurex, A-Wing, 25th floor,
   NM Joshi Marg, Lower Parel,
   Mumbai 400 013

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

TATA CONSULTANCY SERVICES
Tata Consultancy Services Limited
9th Floor Nirmal Building Nariman Point Mumbai 400 021
Tel 91 22 6778 9595 Fax 91 22 6778 9660 e-mail corporate.office@tcs.com website www.tcs.com
Corporate Identification No. (CIN): L22210MH1995PLC084781

TATA CONSULTANCY SERVICES

DAWN OF BUSINESS 4.0



50 YEARS OF INNOVATION AND GROWTH

Annual Report **2017-18**

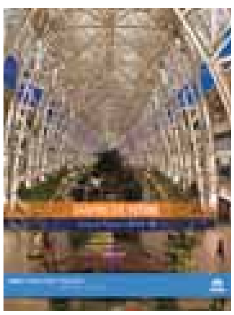
About TCS

TCS is an IT services, consulting and business solutions provider that has been partnering with the world's largest businesses in their transformation journeys for the last fifty years. TCS offers a consulting-led, cognitive powered, integrated portfolio of business, technology and engineering services and solutions. This is delivered through its unique, location-independent Agile delivery model, a benchmark of excellence in software development.

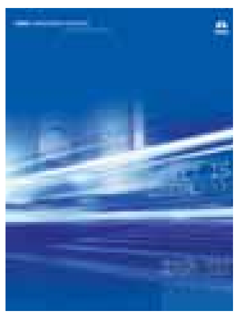
A part of the Tata group, India's largest multinational business group, TCS has over 394,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US $19.1 billion for the year ended March 31, 2018 and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India. TCS' proactive stance on climate change and award winning work with communities across the world have earned it a place in leading sustainability indices such as the Dow Jones Sustainability Index (DJSI), MSCI Global Sustainability Index and the FTSE4Good Emerging Index.

Recent Annual Report Themes:

FY 2017: Reimagining the Enterprise



FY 2016: Shaping the Future



FY 2015: Default is Digital

FY 2014: One TCS

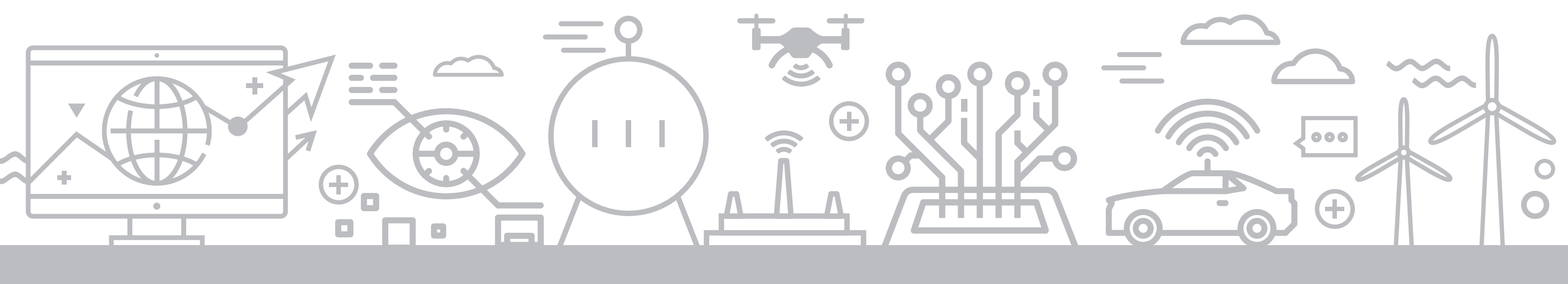
FY 2013: Connected World

The Annual General Meeting will be held on Friday, June 15, 2018 at Birla Matushri Sabhagar, Sir VT Marg, New Marine Lines, Mumbai 400 020, at 3:30 p.m. Towards preserving our environment, printed copies of the Annual Report will not be distributed at the Annual General Meeting.

Contents

Dawn of Business 4.0

The fourth industrial revolution is underway, driving the confluence of the physical, digital, and biological worlds. Rapid breakthroughs in digital technologies are reshaping industries and a new generation of agile organizations are evolving - embracing automation, robotics and artificial intelligence.



Board of **Directors**

Seated from
left to right

R Sommer
Independent Director

Aarthi Subramanian
Director

N Chandrasekaran
Chairman

Rajesh Gopinathan
Chief Executive Officer & Managing Director

C M Christensen
Independent Director

Standing from
left to right

N G Subramaniam
Chief Operating Officer & Executive Director

O P Bhatt
Independent Director

A Mehta
Independent Director

P K Khosla
Independent Director

V Thyagarajan
Independent Director

Management **Team**

Corporate

Rajesh Gopinathan
Chief Executive Officer
& Managing Director

N G Subramaniam
Chief Operating Officer
& Executive Director

Ramakrishnan V
Chief Financial Officer

Ajoyendra Mukherjee
Global Head
Human Resources

Ravi Viswanathan
Chief Marketing Officer

K Ananth Krishnan
Chief Technology Officer

Vishwanathan Iyer
Global Head
Legal & Corporate Affairs

Rajendra Moholkar
Company Secretary

Business Heads

Surya Kant
North America,
UK & Europe

Krishnan Ramanujam
Business and
Technology Services

K Krithivasan
Banking, Financial Services
and Insurance

Pratik Pal
Retail, Travel &
Consumer Products

Kamal Bhadada
Communication, Media
& Information Services

Debashis Ghosh
Life Sciences, Healthcare
and Public Services

Milind Lakkad
Manufacturing

Suresh Muthuswami
BFSI Platforms

Letter from the CHAIRMAN

Dear Stakeholder,

It is my privilege to write to you on this occasion as we celebrate the 50th anniversary of the birth of TCS, as well as the 150th anniversary of the founding of the Tata Group.

It is a matter of immense pride that today, 50 years later, your Company is one of the largest IT service-providers globally, a trusted partner to so many Fortune 500 corporations in their digital transformation journeys, and counted among the top three IT services brands globally.

It is a matter of immense pride that today, 50 years later, your Company is one of the largest IT service-providers globally, a trusted partner to so many Fortune 500 corporations in their digital transformation journeys, and counted among the top three IT services brands globally.

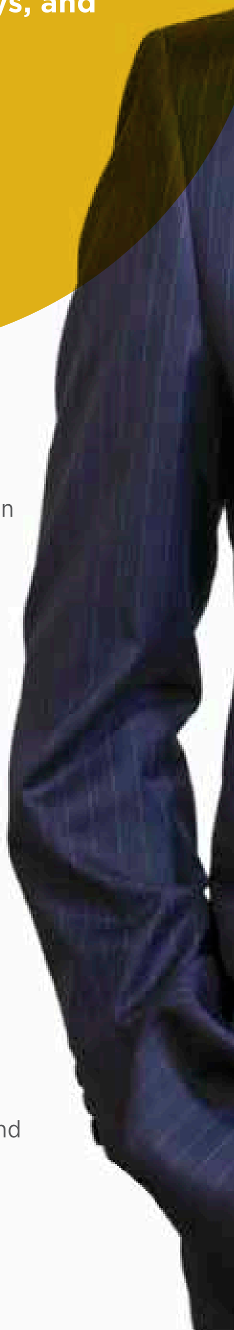
TCS is an inspiring story of a successful technology start-up. Over the past five decades, your Company has emerged from each cycle of technology change – from mainframes to the digital era – stronger, with bigger footprints across markets with more capabilities, solutions and customers. It has seeded and opened up new markets in Latin America, Europe, China and Japan for the industry. It has built an industry-wide ecosystem of students and academic institutions to develop new capabilities and innovations on a continuous basis.

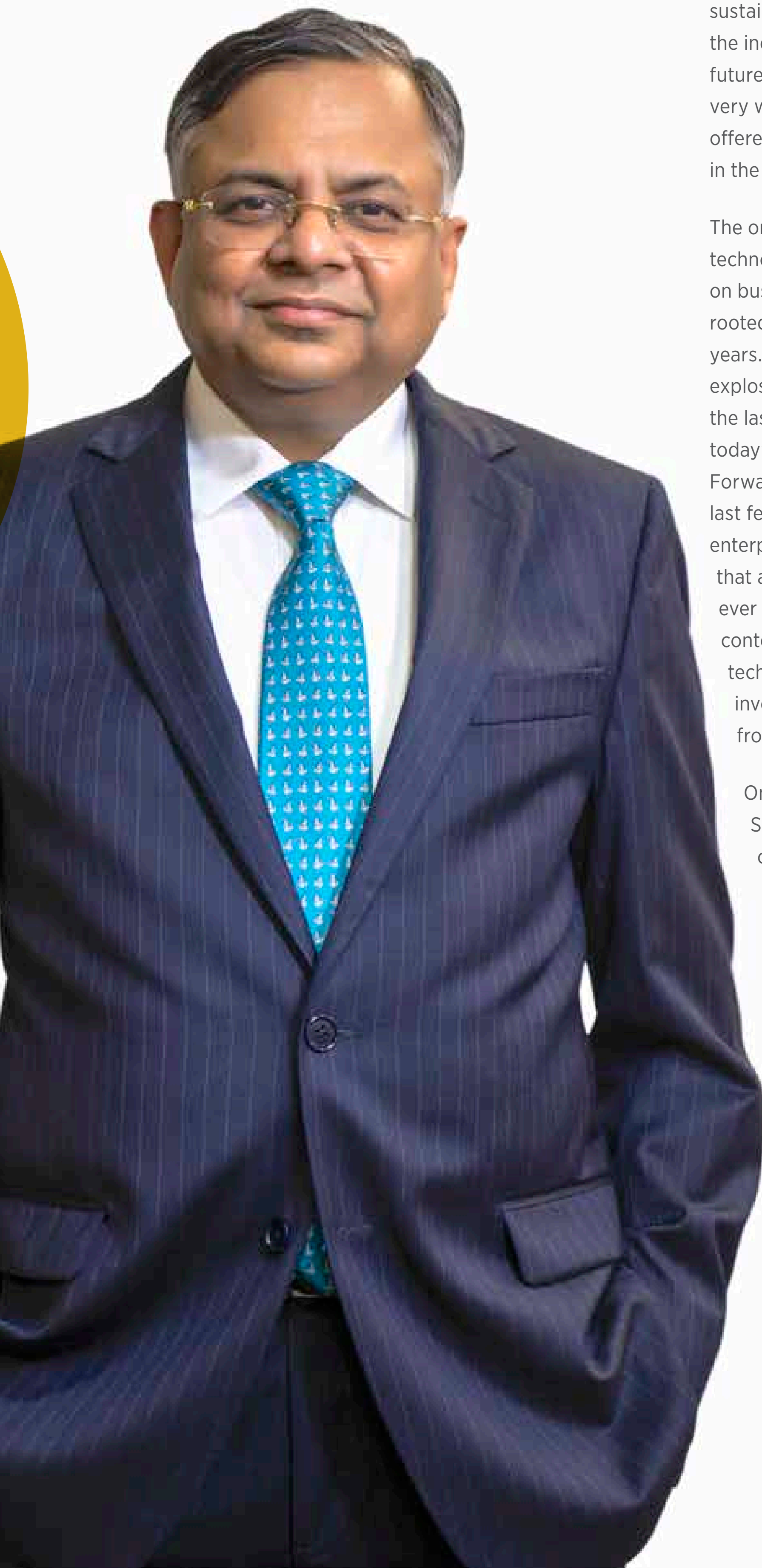
As technology is infused into every aspect of business and society today, its power to disrupt has only magnified the process of creative destruction. Against this backdrop, your Company's strong growth and customer impact over the last five decades in a dynamic global industry to emerge as a leader in its field is a worthy achievement.

What has helped your Company sustain its journey has been its strong value systems, its ability to always put the customer at the center of its strategy and a never-ending desire to collaborate and learn. What also stands out are the employees who have made this possible with their strong customer focus, agile mindset and a strong performance ethic. TCS has invested in the right capabilities, at the right time, and at scale; helping it to stay relevant to customers through every period of technology change. Empowering employees and helping them realize their potential has resulted in an entrepreneurial, innovative, and agile organization. TCS has also inspired trust in all its stakeholders by delivering an experience of certainty in everything it does.

I believe that longevity is not an end in itself but an opportunity for your Company to make a sustainable impact on society by aligning the interests of the organization with those of all our stakeholders. TCS has been pursuing a very well thought out, global Corporate Social Responsibility program with measurable outcomes in sectors like education, healthcare and the environment.

In every community that TCS touches, it has been a force of good, creating skills and well-paying jobs that boost the local economies, promoting health and





wellness of its constituents as well as driving environmental sustainability. Our efforts in many parts of the world to reduce the inequities caused by the digital skill divide, and to build future generations of digitally savvy individuals, are scaling up very well. All this, and the structured volunteering programs offered to employees have imbued a higher sense of purpose in the organization.

The onset of digital technologies is very different from prior technology changes, and is having a far more profound impact on businesses and entire industries, triggering very deep-rooted transformations that will play out over the next few years. The changes we are seeing are a direct outcome of the explosion of data in the last few years. Leading organization of the last many years were renowned for their process maturity, today's winners will be decided by their data maturity. Forward thinking enterprises have been investing over the last few years to harness the abundance of data within the enterprise and outside, to design products and experiences that are highly personalized for their customers. They will rely ever more on strategic partners like TCS, who possess a deep contextual knowledge of their business, and a full range of technology capabilities. Your Company's strategic and early investments in Digital have positioned it well to benefit from the immense opportunities that lie ahead.

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

Warm regards,
N Chandrasekaran
Chairman

Letter from the CEO

Dear Stakeholder,

It is my privilege to be writing to you from this desk on completion of 50 years since our inception.

TCS was established on April 1, 1968, and over the last five decades, your company benefited from the vision of three outstanding leaders – F C Kohli, S Ramadorai and N Chandrasekaran. Each of these leaders was instrumental in taking the organization to the next level, and each left a distinctive imprint on the company.

Our values, entrepreneurial agility, customer-centricity, and social responsibility – all of which define who we are and how we got here, are direct outcomes of their vision and leadership. Following in their footsteps and building upon the accomplishments of these giants is humbling, and inspirational.

Coming to the present, it has been a full year after our leadership transition. I am happy to report that it has been a very stable and seamless experience for all our stakeholders. I want to take this opportunity to thank our Chairman, Chandra, for his continuous guidance and support in helping us through this tough and crucial year. His effortless combination of ensuring that I had all the support he could give, and all the space I need, was the single biggest driver for your company's successful transition into the new management structure. I also want to highlight the unique culture and value system of the senior management team at TCS. They accepted and adopted the change in leadership wholeheartedly and worked relentlessly to make it a success. It is a matter of great joy and pride for me that during this transition year, each and every member of our leadership team stood steadfast by your company.

The last year saw a steady acceleration on a path that we were already on, and we used the opportunity to make some incremental changes. We refocused the organization on the market opportunity presented by four big themes: Intelligence, Agility, Automation and Cloud, and reorganized the teams to align with these themes.

In FY 2018, your Company delivered a reported revenue of ₹123,104 crore, growing 4.4% over the prior year, which is 6.7% growth in constant currency terms. On a constant currency basis, barring BFSI which grew 3.2% and Retail & CPG which grew 1.5%, we had very strong growth in the other six industry verticals, averaging 13.2% in aggregate. Growth was led by Energy and Utilities which grew 26.8%, Travel and Hospitality which grew 22.4%, Life Sciences & Healthcare which grew 11.9% and Communications & Media which grew 11.6%.

In terms of our markets, growth was led by Continental Europe which grew 19.1% in constant currency, UK which grew 8.6%, Latin America which grew 7.8% and India which grew 6.9%.

Operating margin was 24.8%, which was flattish year on year, on a currency-adjusted basis. Net profit was ₹25,826 crore, a net margin of 21%. In keeping with our shareholder friendly capital allocation policy, the Board has recommended a final dividend of ₹29 for the year, bringing the total dividend payout for the year to ₹50 per share. The Board has also recommended a bonus issue in the ratio 1:1.

Business 4.0

Mid-year, we articulated our Business 4.0 thought leadership framework that allows enterprises to leverage digital technologies to further their growth and transformation agendas.

The defining attributes of successful enterprises in the Business 4.0 world are their ability to mass personalize the customer experience – sometimes at a very granular, transactional level; actively leverage ecosystems and embrace risk to deliver exponential value. They are agile, intelligent, automated and on the cloud. At the core of Business 4.0 is a shift in mind-set, from optimizing the use of scarce resources to harnessing the technology-enabled abundance of talent, compute power, storage, and market reach.

During the year, we revamped our services portfolio substantially, in tune with our Business 4.0 vision and evolving buying behaviours in the market. This is further strengthening our engagement with other stakeholders in our customers' organizations – like the CMO, COO, CFO and other CXOs, in addition to the CIOs and CTOs that we have traditionally worked with.

Our Business 4.0 framework is resonating very well with our customers across every industry vertical, and guiding their transformational journeys. Their digital transformation is proceeding at three levels: the digital core, the intelligence layer and the experience layer. While popular attention has been on the latter two, the transformation of the core is a much larger, more complex, and riskier undertaking – and yet, that is the most critical program without which many of the digital initiatives simply can't progress further.

FY 2018 saw many of our customers embark on the refurbishment of their core. With our contextual knowledge, domain expertise, depth in digital and intellectual property, we have been their preferred partner in these strategic initiatives. We signed several mega deals that are industry-defining in nature. Whether it was the largest Internet of Things (IoT) deal that we signed with Rolls Royce, or the deal with Transamerica to replace their fragmented, legacy core with a modern, cloud-based digital platform – the largest contract signed by TCS till date – these are all examples of progressive organizations embracing digital transformation at their core.

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Unlike the large deals of the past which were large in scale, but were mostly homogeneous in terms of the services sold, the large deals we are now signing are very large in scope as well, leveraging the full spectrum of our capabilities. That makes them very difficult for others to replicate, and strengthens our competitive positioning. Revenue from digital engagements accounted for 21.2% of our revenue in FY 2018 and grew 35.3% year on year.

Another important proof point of our participation in our customers' Business 4.0 spend is the steady increase in the number and size of the digital assignments they give us, resulting in increased share of wallet. At an aggregate level, this is evident from the client metrics where we see a strong progression of customers into higher revenue buckets on a quarterly as well as annual basis. For the full year, we added 3 more clients in the $100 Mn+ revenue band bringing the total to 38, 13 more clients in the $50 Mn+ revenue band, 17 more in the $20 Mn+ band and 40 more in the $10 Mn+ band.

Research and Innovation

Much of the Business 4.0 spending by customers is around leveraging technology to innovate and gain competitive advantage. Our continued investments in Research and Innovation, and in building intellectual property, have further strengthened our transformational credentials. Many of our earlier research and innovation programs, now monetized into successful platforms and solutions – such as the TCS Connected Universe Platform, ignio™ and Optumera™ – performed very well this year and helped differentiate TCS.

TCS built an Open Banking API Framework to help banks accelerate their digital transformation journey. The AI offerings developed by our R&I teams in the areas of conversational systems and natural language processing (NLP) were successfully deployed internally in TCS for employee engagement.

We continue to invest in research in cutting edge areas in computational sciences – covering NLP, machine learning, deep learning and data marketplaces, materials engineering, behavioural sciences and bio-sciences – particularly in genome interpretation for personalization of medicine and developing biomarkers for early detection of diseases.

In addition to the research and innovation that happens within TCS, we also leverage the innovation taking place in the start-up ecosystem through the TCS Co-Innovation Network or COIN. The program has now expanded its start-up connects to over 3000 start-ups in key innovation hubs in America, UK, Europe, Asia and Australia.

The TCS Research Scholarship Program is now in its fourteenth cycle, covering 261 PhD scholars across 33 institutes across India. 67 individuals have obtained their PhD through this program. TCS Researchers presented 250+ papers in premier conferences. Your Company has filed more than 3,900 patent applications to date, with 522 filings in FY 2018. It has been granted 654 patents as of March 31, 2018.

People

TCS' culture and people practices continue to differentiate us from the rest. We firmly believe that there are no legacy people, only legacy technologies. TCS had 394,998 employees at the end of FY 2018. While we continue to hire talent from outside, we have doubled down on investing in internal talent development at scale, empowering individuals to acquire skills that will keep them relevant in an evolving technology landscape. In FY 2018, over 247,000 employees were trained in digital technologies, resulting in them gaining over 861,000 digital competencies.

Our workforce continues to be young, dynamic and diverse. Women make up 35.3% of our workforce. We continue to attract, retain, and engage top notch talent across the world. For the third consecutive year, TCS was recognized as a Global Top Employer by the Top Employer Institute, and as one of the Best Employers globally in the Forbes 2000 list.

The most gratifying validation of our employee-friendly practices however, is the best-in-class retention rate we continue to enjoy. In FY 2018, our attrition rate in the IT Services segment was 11%; once again, the lowest in the industry.

Beyond Business

TCS and TCSers continue to make a big difference to every community we touch, across the world. In FY 2018, TCSers volunteered over 570,000 hours for worthy social and environmental causes in their respective communities. Our various CSR programs – be it the Adult Literacy Program and BridgeIT in India, or goIT and related programs to encourage STEM education and careers among students in North America and elsewhere, are scaling up nicely and making a difference, and estimated to have benefited over 900,000 people across the world.

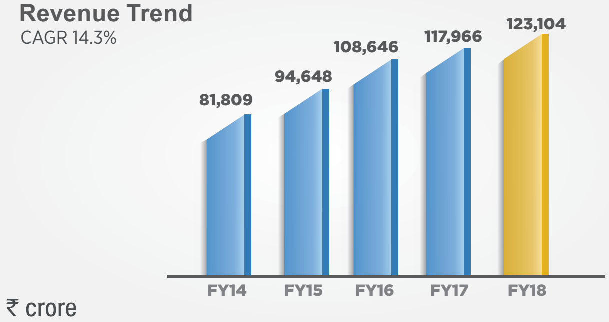
The cutting edge work we do for our customers, our best-in-class service quality, our reputation as a best employer, our award winning Investor Relations program, our sponsorship of various high profile marathons and other marketing efforts including the #digitalempowers campaign, have all gone towards elevating our brand and putting us firmly among the top 3 brands in IT services globally. In FY 2018, TCS was the fastest growing brand by value, crossing the $10 Bn mark and growing 14.4% year on year.

Looking forward, we only see greater opportunity ahead, as businesses become more technology-intensive and depend more on technology to drive competitive differentiation. Our agility, core attributes and belief systems which have ensured our success over the last fifty years will continue to help us benefit from each new wave of technology change, and create ever more value for our stakeholders. I thank you all for your continued support and encouragement.

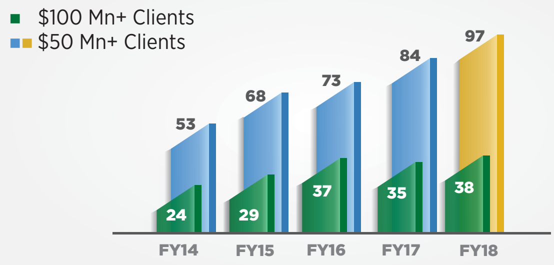
Best regards,
Rajesh Gopinathan
Chief Executive Officer & Managing Director

Performance **Highlights**

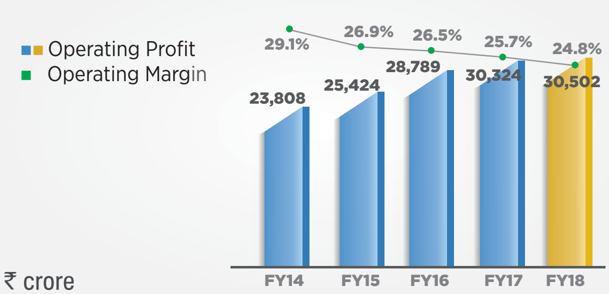
Revenue Trend
CAGR 14.3%



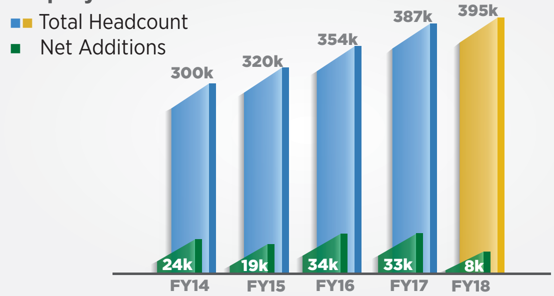
Client Metrics



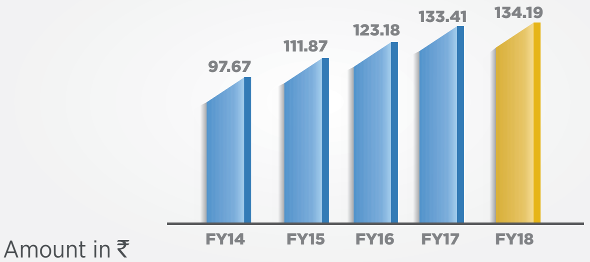
Operating Profit Trend#



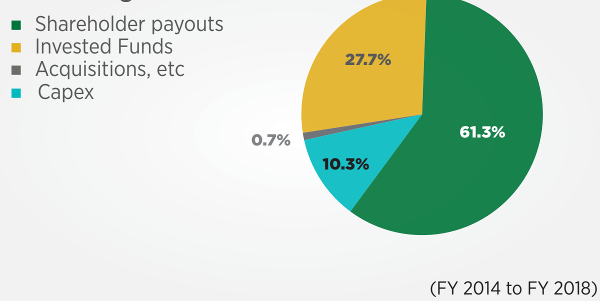
Employee Metrics



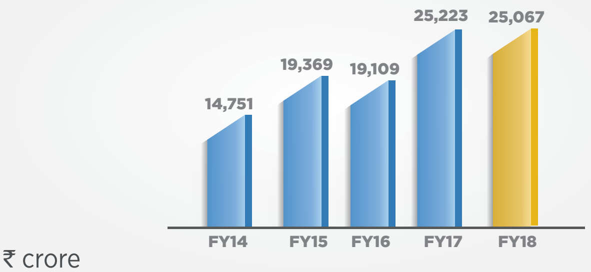
Earnings per share*
CAGR 13.6%



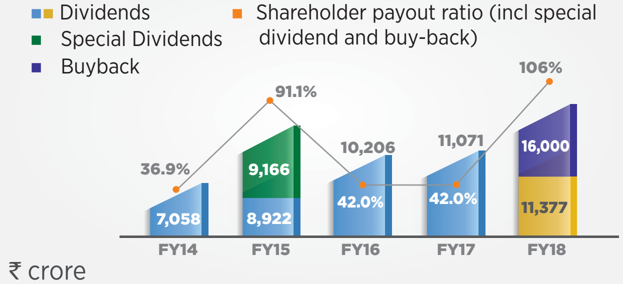
Cash usage



Cash flow from operating activities*



Shareholder payouts



\# The Company transitioned into Ind AS with effect from April 1, 2015. The IFRS operating profit being in line with the Ind AS operating profit, IFRS numbers have been considered for prior years for continuity purpose in the above chart instead of the Indian GAAP numbers that were actually reported in those financial years. Also note that FY 2015 numbers exclude a one-time employee reward of ₹ 2,628 crore paid by the Company.

* Indian GAAP numbers have been reported in FY 2014 and FY 2015 for Earnings per Share and Cash flows from operating activities, and Ind AS reported numbers have been used thereafter.

The Year **Gone by**

Q4

- Named among the Top 3 brands in the IT Services sector globally by Brand Finance. Additionally, TCS' brand value crossed the $10 Bn mark in 2017, and was the fastest growing brand by value, up 14.4% year on year, in contrast to the largely stagnant valuation of the sector as a whole.
- M&G Prudential partnered with TCS to digitally transform its customer service in a contract that exceeds £500million over 10 years and covers the support of over 4 million customer policies.

TCS showcased its #digitalempowers campaign at the World Economic Forum to show how technology can reduce societal inequities

- Ranked #1 in Europe for customer satisfaction for the fifth consecutive year by Whitelane Research, based on a survey of 1,600 CXOs across 13 countries. In the country rankings, TCS topped the list in Germany, Belux, Netherlands, Switzerland, and the Nordics. Sectorwise, TCS topped in the Financial Services and Manufacturing sector.
- Recognized as a Top Employer globally for the third consecutive year by the Top Employer Institute. In addition, TCS was named the Top employer in 27 countries, across North America, Europe, Asia Pacific, Latin America and the Middle East.
- TCS, a longstanding strategic partner of the World Economic Forum, hosted an exclusive private reception at Davos, attended by 500+ global leaders from business, government, academia, media and civil society. At the event, TCS highlighted insightful stories from the #DigitalEmpowers campaign to show how technology could help create a more inclusive society. The event also celebrated 150 years of proud history of the Tata Group.
- Selected as the Principal Technology Partner by Marks & Spencer in their Digital-First retail transformation program. TCS will transition M&S to a new Technology Operating Model, which embraces the agile mind-set to transform business and IT strategy, aligned with rapid technology innovation to meet fast changing business priorities.
- Transamerica awarded TCS a multi-year, $2+ Billion contract to digitally transform its Life and Annuities business to service more than 10 million policies using TCS BaNCS Insurance, an integrated cloud-based single instance, multi-tenant platform.

Q3

- BNP Paribas Securities partnered with TCS to implement the Quartz blockchain solution for capturing and storing corporate actions information, making it one of the earliest adopters of blockchain technology in its operations. The TCS-built platform's built-in security ensures that the information is tamper-proof, resistant to node failure and recoverable.

- TCS senior executives rang the Opening Bell at the Toronto Stock Exchange to celebrate the partnership between TCS and the TMX Group which selected the TCS BaNCS for Market Infrastructure platform to overhaul its clearing and settlement business technology.

- Announced a $50 Mn+ Internet of Things digital transformation partnership with Rolls-Royce – the largest digital deal signed till date. This digital transformation for Rolls-Royce will be supported by TCS' Connected Universe Platform, a platform-as-a-Service (PaaS) offering that accelerates the development and deployment of Internet of Things (IoT) applications.

- Recognized as a Leader in Climate Change efforts by CDP for having meaningful targets, emissions reduction activities, verified and assured emissions data.

- TCS Olympus Center, a new 30,000 seater facility was inaugurated in Mumbai. The state-of-the-art, TGBC Platinum-rated facility, one of the first with a software-defined network, provides a contemporary and holistic work culture. It is a green campus, featuring rainwater harvesting, sewage treatment plant, and eco-friendly, low-emission systems and fixtures.

- The Tata Innovation Center was inaugurated on Cornell Tech's Roosevelt Island campus, funded by a $50 Mn investment by TCS to drive applied research and collaboration between Cornell, industry and the startup ecosystem in emerging areas including human machine interaction, and cyber security.

- Won two awards in the Forbes 2017 Global 2000 list, as one of the Top Regarded Companies and as one of the World's Best Employers.

N Ganapathy Subramaniam, Surya Kant and other senior leaders from TCS rang the opening bell at the Toronto Stock Exchange

Q2

- Secured a 15 year partnership with Scottish Widows, Lloyds Banking Group's Life and Pensions business to provide end-to-end policy administration services for 4 million heritage customers.

- Recognized in the Fortune annual list of the Top 50 Companies that Changed the World, as one of the world's most notable brands whose businesses are helping to address numerous societal challenges and ultimately 'do well by doing good.' Additionally, TCS was included in the Global Dow Jones Sustainability Index (DJSI) for the fifth consecutive year, and in FTSE4Good's Emerging Index.

- Zions Bancorporation's Consumer Lending business went live on TCS BaNCS for Core Banking. The bank had selected TCS BaNCS after an extensive review of US and global core banking platforms for their 'FutureCore' program which is foundational to their digital transformation objectives: to better leverage data assets to improve the customer experience and to digitize and streamline operations.

Q1

- Opened its first Drones Research Lab in the US at its Seven Hills Park Innovation Center in Cincinnati, OH, to address the rapidly expanding demand for drone-based business solutions across industries. The TCS Drones Research Lab – featuring both indoor labs, showcase, warehouse, and outdoor terrain footprints – provides a rapid experimentation and co-innovation environment for customers to build solutions for specific industry problems.

Chairman N Chandrasekaran and Chairman Emeritus of Tata Sons, Ratan Tata, flank the Dean of CMU at the ground breaking ceremony of the new TCS Hall

- Recognized as among the top two job creators in the US in the IT Services sector in the last five years, hiring more than 12,500 employees between 2012 and 2016, according to a study by The Cambridge Group. TCS was ranked Number One in terms of US employee growth during that period.

- Completed the ₹16,000 crore share buyback at ₹2,850 a share through the tender offer route, extinguishing 5.6 crore equity shares, representing 2.85 per cent of its total equity.

- Selected by one of Europe's largest utilities companies, Swedish state-owned Vattenfall, as a strategic partner in a managed services engagement to provide IT services across Sweden, Germany and the Netherlands, and help it make its operations more flexible and agile.

- Reorganized its service practices and launching several new service practices addressing the individual elements of the digital stack. The transformed and the new units were consolidated under the Business & Technology Services Unit, comprising (1) Digital Transformation Services (2) Cognitive Business Operations (3) Consulting and Service Integration.

- Carnegie Mellon University and TCS broke ground for a high-tech global research facility to be built on the CMU campus in Pittsburg. The new TCS Hall will house researchers working on next generation technologies including cognitive systems and autonomous vehicles, and is supported by a $35 million grant from TCS, the largest ever industry donation to CMU.

Researchers pose in front of the newly opened Drones Research Lab in Cincinnati, OH

Marching ahead with **Our Brand**

The TCS brand has been built on a solid foundation of trust that we have established with all stakeholders over the last five decades. Today, in its 50th year of operations, TCS is a respected global brand with solid brand equity. Successive surveys have ranked us a leader in customer satisfaction in our key markets; competitive assessments by industry analysts rank us as leaders in new digital technologies; investor polls rank our investor relations program among the best in the region; we are ranked a Global Top Employer, and our community outreach efforts keep winning awards year after year.

TCS has been boosting its community outreach and brand awareness across the world by promoting fitness and sponsoring sporting events. In FY 2018, we expanded our brand properties in the APAC region with major new sponsorships in Japan, India and Australia. The company is now the official partner to 10 marathon and running events across the world, in major cities like New York, London, Singapore, Amsterdam, Mumbai and Canberra. Our keynote global events - the TCS Summit, TCS Davos Reception and TCS Innovation Forum have become red letter days on the calendars of C-level executives across the world.

Our global brand campaign at the World Economic Forum, #DigitalEmpowers showcases the positive role that digital technologies can play in reducing the inequities in society, and was recognized with 20 major awards this year. We were recognized by Fortune magazine as one of the world's most notable brands that are helping address societal challenges, by being named in their annual list of the Top 50 Companies that Changed the World, Forbes ranked us in their 2017 Global 2000 list as one of the Top Regarded Companies and as one of the World's Best Employers. In a major milestone in our 50th anniversary year, TCS was ranked by BrandFinance™ as the fastest growing global IT Services Brand in 2018 and joined the exclusive club of brands rated as over US$ 10 billion in brand value. This continues the forward march of our brand in our key markets, including being recognized as a Top 100 brand in the United States, and as a Superbrand in the United Kingdom.

Brand Finance Top 100 Brand United States 2017

FORTUNE CHANGE THE WORLD 2017

#1 IN CUSTOMER SATISFACTION 2017/18 EUROPE Whitelane Research/PA Consulting

Brand Finance Fastest Growing Brand IT Services 2018

Awarded for UK Superbrands 2018 Quality Reliability Distinction

Business **4.0**

Intelligent, Agile, Automated, and on the Cloud

What Business 4.0 means to Global enterprises across Industries

TCS is guiding many of its customers through Business 4.0 digital transformations—defining value propositions, creating new business models, winning over new customers, and creating exponential growth. Successful adopters of Business 4.0 will embrace its four primary characteristics.

1 Delivering **Mass Personalisation**

Embracing greater segmentation and responding to individual transactions, customised for a single customer in a single instance.

2 Leveraging **Ecosystems**

Rapidly tapping into the capabilities and resources of partners and competitors through technology platforms, to influence their entire value and supply chains.

Harnessing Abundance

Abundance of Capital

Unimagined pools of capital exist for those organisations that can paint a vision of what the future looks like and have the strength of character and boldness of leadership to execute on that task.

Abundance of Talent

Enormous skilled talent pools can be crowd-sourced and utilised on-demand. Enterprises have to embrace the idea of blurred organisational boundaries, where old definitions of "who is" and "who isn't" an employee are challenged.

The convergence of **intelligence, agility, automation, and the cloud** has allowed for the creation of **technology platforms to** effectively harness abundant resources in **real-time**.

Companies' infrastructure and assets are increasingly becoming insufficient to meet today's rapidly expanding needs. Business 4.0 organisations are shifting mindsets from "optimising scarce resources" to that of "leveraging abundant resources"—such as:

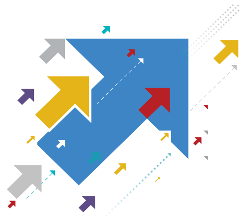
Abundance of Capabilities

By re-imagining the wider organisational environment and rethinking relationships, enterprises can unlock the capabilities of their entire ecosystem.

Abundance of Market Reach

Reducing markets to a segment of one is allowing companies to transcend geographic and demographic boundaries and expand their addressable markets exponentially

3



Creating **Exponential Value**

Creating true value propositions that deliver on customer demands for the best products, world class services, instantaneous delivery, and incredible price points.

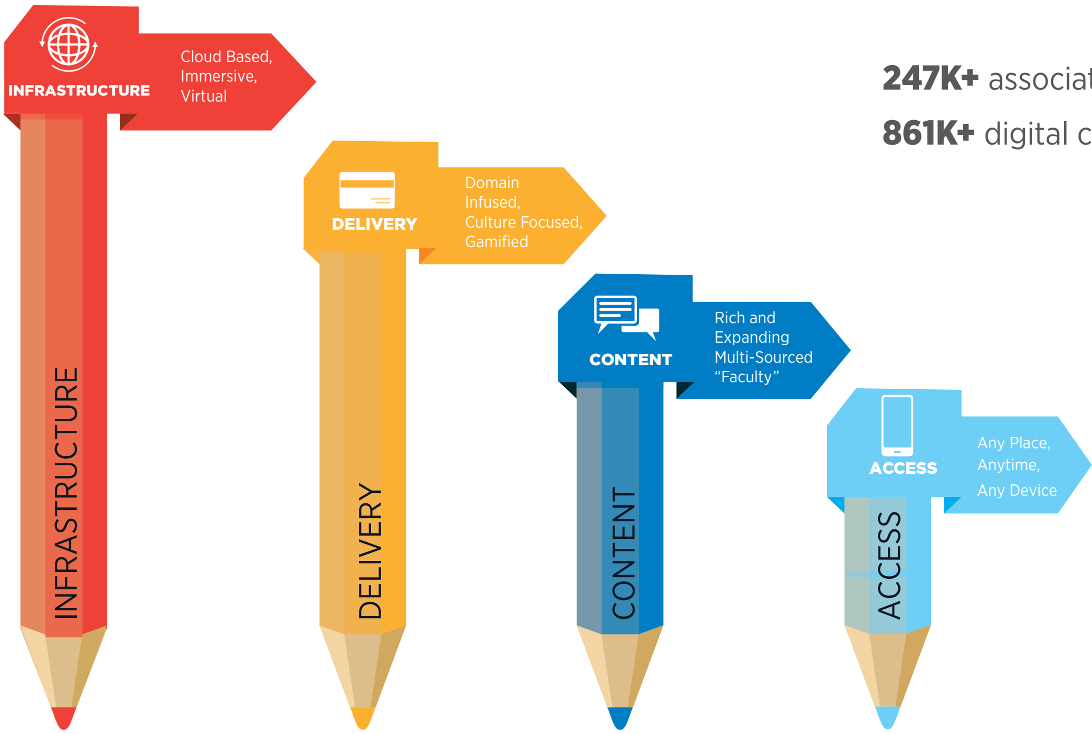
4

Embracing **Risk**

Responding to threats and delivering new capabilities much faster, by changing the risk-mitigation mindset 180 degrees to that of "embracing risk" and "adapting and transforming continuously ".

Strategic **Investments**

Scalable re-skilling using **Digital Learning Platforms**



247K+ associates trained in digital

861K+ digital competencies acquired

Focus areas for **Research and Innovation**

Foundational Research
Computing
Physical Systems
Sciences

Industry 4.0
Automation
Cognitive Computing
Drones

Governance
Automated Compliance
Consent Management
Enterprise Security

Sustainability
Remote Healthcare
Accessibility
Energy Management

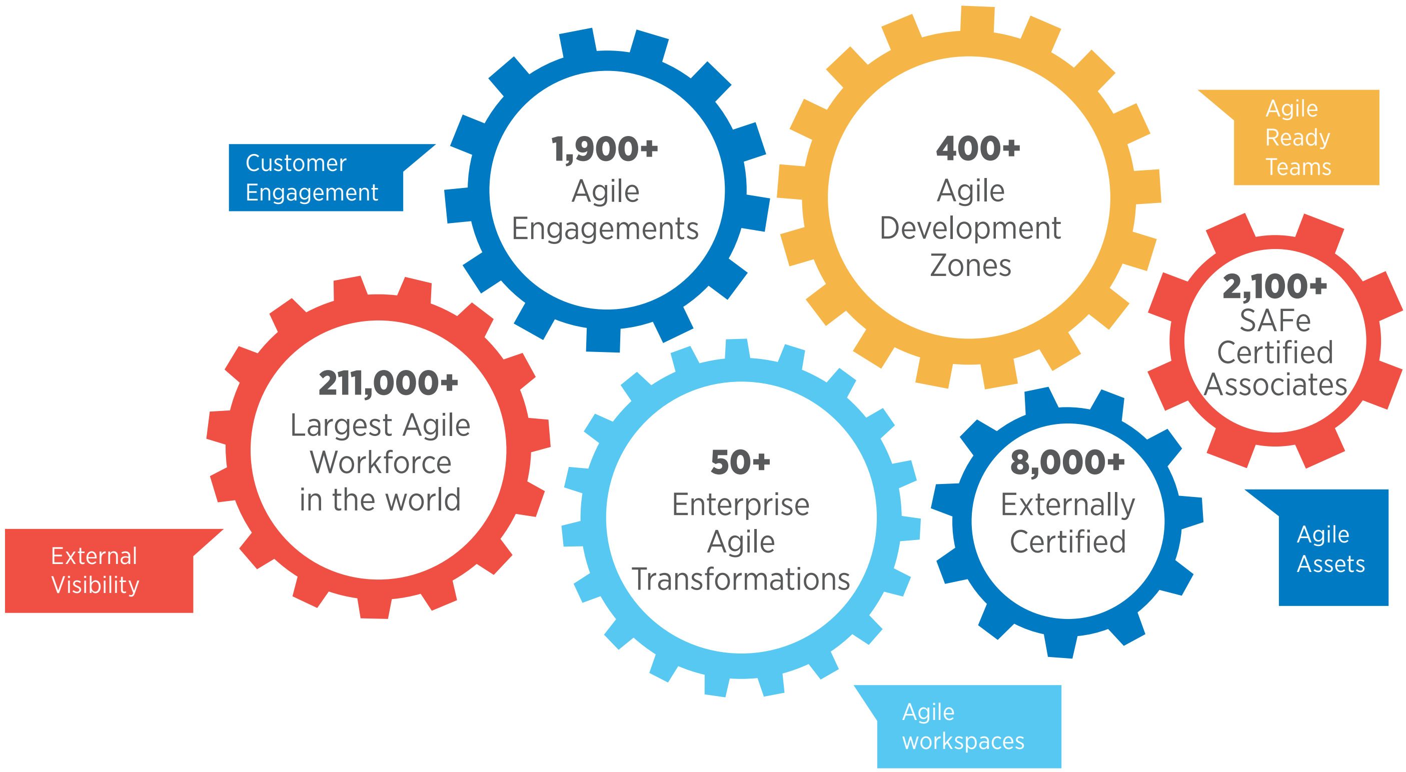
Banking & Financial Services
Banking Analytics
Data Marketplace
Blockchain peer to peer
Insurance

Retail
Price Optimisation
Dynamic omnichannel
supply chain
Shelf Product
Recognition

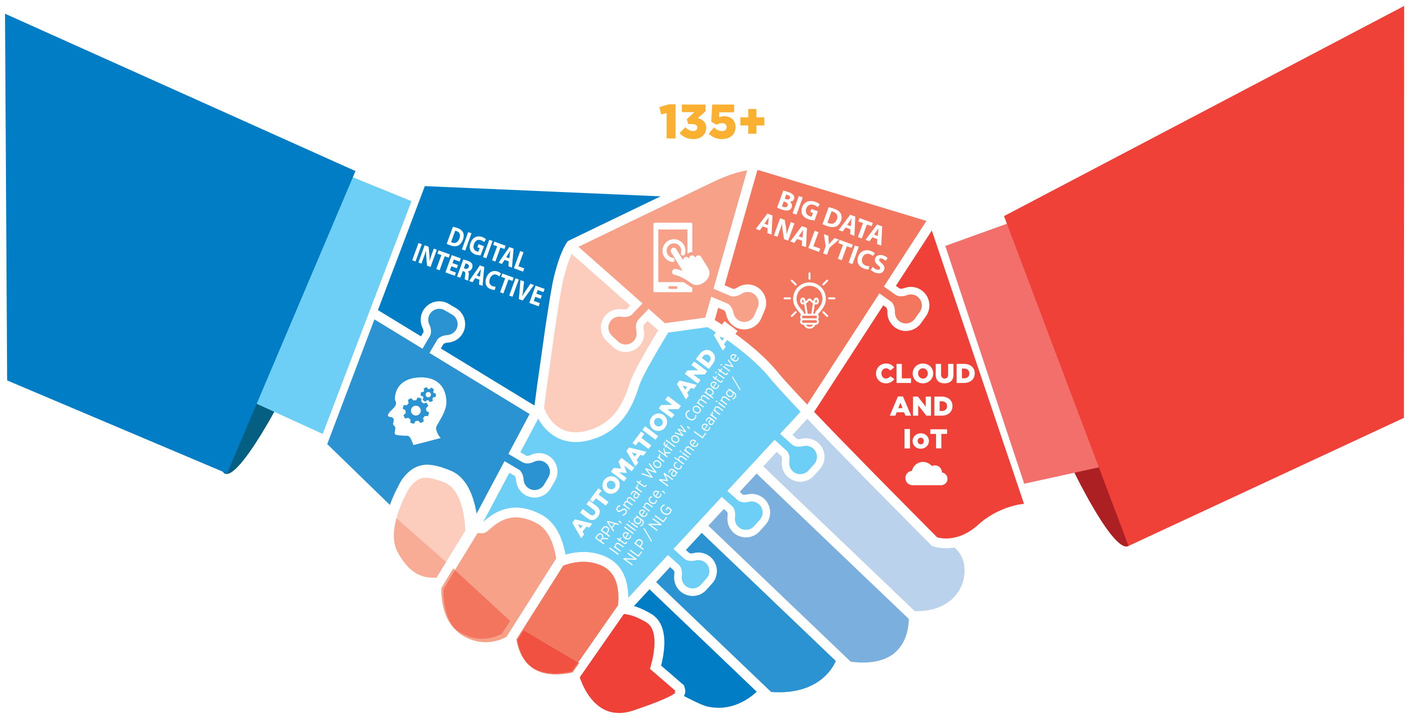
Manufacturing
Digital Twin
Early warning System
EHS Digital Assistant

Life Sciences
Digital Clinical Trials
Digital Drug Discovery
Paperless Lab

Embracing **Agile for Success**



Digital **Alliances and Partnerships**



Benefiting from **Business 4.0**

Business 4.0 Buying Behaviors	The TCS Advantage
Customers are buying solutions to their business problems, and not just technical skills	• Decades of experience in solution selling positions TCS ahead of others in envisioning, designing and deploying solutions that are uniquely tailored to a customer's business context, on a turnkey basis • TCS' verticalized organization structure, consisting of about two dozen Industry Solution Units (ISUs), was designed precisely to facilitate solution selling. Each ISU possesses deep domain expertise and contextual knowledge that enable solutions uniquely tailored for each customer
New buyers are emerging within the customer organization – the CEO, COO, CFO, CMO, CDO, and other CXOs	• Deep domain expertise and over a decade's experience in selling to other buyers in the customer's organization positions TCS very well to have very deep business-focused conversations with CXOs of all kinds • The launch of several new Digital transformation services, and the creation of Cognitive Business Operations unit in FY 2018 addresses the needs of other stakeholders very effectively
Selection criteria for transformational engagements: solution quality, references and time to market	• TCS' domain expertise and contextual knowledge results in higher quality solutions that are specifically tailored to each customer's unique context • TCS' location independent agile model allows execution of large programs across distributed location using agile methodologies, delivering significant time to market advantages • TCS' industry-leading portfolio of intellectual property – frameworks, accelerators, products and platforms – deliver greater speed to market
Taking on an overall transformational program involves orchestrating the delivery of multiple service lines	• TCS has historically been very good at bringing together multiple teams that collaborate, giving it the reputation for execution excellence – particularly in large and complex program implementations • Creation of a separate Consulting and Service Integration practice in FY 2018 has helped formalize the collaborative model and made it scalable
Virtualization of generic activities that don't provide competitive differentiation	• Early investments in cloud-based platforms, many years ahead of peers, positions TCS very well today to take advantage of the increasing demand for as-a-Service offerings
Greater adoption of automation to operational spends	• TCS' Machine First Delivery Model (MFDM™), backed by partnerships with leading providers of RPA software as well as our own cognitive automation software ignio™, gives software the first right of refusal on any activity, be it in business operations or IT operations. This approach has positioned TCS as a thought leader in this area, and is driving significant business opportunities

Business 4.0 **Stories**

Algorithmic Retailing

Progressive retailers who will flourish in a Business 4.0 world are those who are leveraging the huge amounts of granular data available to them from online, stores, sensors and IoT devices to create significant business value by applying advanced artificial intelligence and machine learning algorithms. For example, a traditional process like pricing which was based on a few variables earlier, now stands transformed by TCS' Optumera™ suite which uses a rich set of 500 factors like weather, online metrics, competitor prices, local events, category-specific characteristics to determine the optimal pricing, accounting for the impact of each factor on the other. Similarly other processes like forecasting, replenishment, transportation, space, assortment, sales and marketing can be completely transformed to create exponential value using advanced analytics and machine learning. TCS is working with leading grocery retailers, to leverage the data from various IoT sensors and supply chain networks to provide real time updates on fresh produce - like strawberry, lettuce – across the supply chain. This intelligence has reduced the overall dwell time by up to 25 hours, resulting in reduced wastage in stores and substantially improved the home life of fresh produce for the consumer. The data generated is driving the complete supply chain ecosystem towards greater agility and efficiency.

Business 4.0
Stories

> This new partnership will bring the best of TCS' capabilities to M&S. We will join our expertise to unlock the potential for technology to drive our digital-first transformation and accelerate growth of our business. Through our Technology Transformation Programme, our business will be faster, simpler and more focused on achieving a seamless customer experience.
>
> **Steve Rowe,** CEO, M&S

M&S

Marks and Spencer, a leading omni-channel retailer in the UK has embarked on a five-year transformation program to become a digital-first business. As their principal technology partner in this strategic initiative, TCS will transition M&S to a new Technology Operating Model, which embraces the agile mindset to transform business and IT strategy, aligned with rapid technology innovation to meet fast changing business priorities. This will help drive agility, intelligence, innovation and efficiency to transform the retailer's customer experience, drive business growth and position them for success in the Business 4.0 world.

Rolls-Royce

Rolls-Royce, the market-leader in high performance power systems, expanded its long-standing partnership with TCS to accelerate its 'Digital First' vision to lead in a Business 4.0 world. This digital transformation for Rolls-Royce will be supported by TCS' Connected Universe Platform, a platform-as-a-Service (PaaS) that accelerates the development and deployment of Internet of Things (IoT) applications. Leveraging this, Rolls-Royce will be able to collect data real time from their equipment in the field, such as jet engines, and provide predictive diagnostics that would help improve their reliability and availability, and thereby deliver a superior experience and create exponential value for their customers – the airlines which use those engines. TCS' IoT solution will allow more data to be captured, shared and analyzed more quickly across Rolls-Royce, to accelerate the development of new products and services. The resultant agility and data innovation will drive greater collaboration with partners and customers, deliver further value to customers, improve existing services, accelerate development and deployment times and create new areas of growth.

> This is an example of how we intend to unleash data innovation through collaboration. TCS is an outstanding partner with excellent experience in delivering a flexible and agile platform capability across many different markets. We expect to be able to realise both short-term and long-term benefits through collaboration with partners and customers on the TCS IoT Platform. It will allow us to take advantage of fast-paced data innovation – including accelerating our application of industrial artificial intelligence and a range of other cutting edge breakthrough opportunities.
>
> **Neil Crockett,** Chief Digital Officer, Rolls-Royce

Business 4.0 **Stories**

Transamerica

Transamerica, a leading provider of life insurance, retirement and investment solutions in the United States, has joined forces with TCS to simplify its core operations around the administration of its life insurance and annuity business lines, transforming them to TCS BaNCS, our integrated, cloud-based insurance digital platform. This new digital core will enable Transamerica to modernize its operations, rapidly enhance its digital capabilities, and support agile new product development and enhanced customer services, acquisitions and strategic innovation investments. In turn, this will help Transamerica pursue greater sustainable growth opportunities, create exponential value and succeed in a Business 4.0 world.

> Transamerica continues to put our customers at the forefront of everything we do. I'm very excited to embark on this partnership with TCS, whose transformation and technology innovation capabilities will supplement our focus on improving our customers' experience in a digitally enabled way. This supports meaningful growth in all business lines, including insurance and annuities, and advances our competitive positioning. TCS was carefully selected because of their significant, ongoing investments in technology and their expertise in the insurance and annuity industry.
>
> **Mark Mullin,**
> President & Chief Executive Officer,
> Transamerica

> I have a vision of what we'd like to be able to deliver to customers. In meeting with the senior team at TCS, we found that we have a shared vision of how we expect Market Infrastructure to evolve. This gave me great comfort that TCS, as a partner, could help us evolve our business.
>
> **Glenn Goucher,**
> President and COO, CDCC and President, CDS

TMX Group

The TMX group of Canada runs the Toronto and Montreal Stock Exchanges, the Canadian Depository for Securities, the Canadian Derivatives Clearing Corporation, and several other exchange platforms. In a Business 4.0 world, TMX envisions operating a powerful ecosystem of markets and provide the tools needed for the diverse needs of global investors at large to fulfill their agile and intelligent aspirations. In pursuit of this vision, they chose TCS BaNCS Market Infrastructure as a single integrated platform for clearing, settlement and depository functions with a multi-asset class structure for both cash and derivatives markets. Along with QUARTZ Blockchain, the solution is conceptualized to deliver instantaneous access to information, automated straight through experience, real-time risk & collateral management and the agility in defining products across markets.

Reimagining **Cancer Care**

Digital Nerve Centre

TCS, in partnership with the Tata Trusts, is deploying the Digital Nerve Centre (DiNC), an innovative platform that leverages digital technologies to connect leading cancer research centers and specialists within the National Cancer Grid to reimagine patients' access to cancer care, and make it more equitable and affordable. Through resource pooling and digitization, DiNC is driving significant efficiencies resulting in better utilization, higher throughput, speedier access to medical care and superior treatment outcomes. As the network expands, even patients in remote areas won't have to travel more than a few hours to access the full suite of cancer treatment services.

In the first phase, the platform will connect four premier cancer hospitals — the Tata Memorial Center in Mumbai, the Cancer Institute in Chennai, the Tata Medical Center in Kolkata and the Regional Cancer Center in Thiruvananthapuram – and allow pooling of their knowledge and resources, easier patient movement across facilities, and research collaboration across doctors and institutions.

Notice

Notice is hereby given that the twenty-third Annual General Meeting of Tata Consultancy Services Limited will be held on Friday, June 15, 2018 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, 2018, 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, 2018, 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 2017-18.

3. To appoint a Director in place of Mr. N. Chandrasekaran (DIN 00121863), who retires by rotation and, being eligible, offers himself for re-appointment.

4. **Ratification of Appointment of Auditors**

    To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

    "RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W – 100022), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the twenty-fourth AGM of the Company to be held in the year 2019, 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 Ms. Aarthi Subramanian as a Director**

    To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

    "RESOLVED that Ms. Aarthi Subramanian (DIN 07121802) who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 17, 2017 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 73 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. **Appointment of Dr. Pradeep Kumar Khosla as an Independent Director**

    To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

    "RESOLVED that Dr. Pradeep Kumar Khosla (DIN 03611983), who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 11, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 73 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

    "RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Dr. Pradeep Kumar Khosla, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing January 11, 2018 to January 10, 2023, be and is hereby approved."

7. **Appointment of Branch Auditors**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board be and is hereby authorized to appoint Branch Auditors of any branch office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditors and to fix their remuneration."

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.

2. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.**

   A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

   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.

3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.

4. Members, Proxies and Authorised Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.

5. The Company has fixed Saturday, June 2, 2018 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2018.

6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on Tuesday, June 19, 2018 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 Saturday, June 2, 2018;

   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 Saturday, June 2, 2018.

7. 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 are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to TSR DARASHAW Limited ("TSRDL") in case the shares are held by them in physical form.

8. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TSRDL in case the shares are held by them in physical form.

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, TSRDL in case the shares are held by them in physical form.

10. 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.

11. 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.

12. 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.

13. 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.

14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

15. Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose email 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 email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2017-18 will also be available on the Company's website viz. www.tcs.com

16. The route map showing directions to reach the venue of the twenty-third AGM is annexed.

17. **Voting through electronic means**

    i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

    ii. The Board of Directors has appointed Mr. P. N. Parikh (Membership No. FCS 327) and failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of Parikh & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

    iii. The facility for voting, either through electronic voting system or poll paper, shall also be made available at the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM.

    iv. 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.

    v. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.

    vi. The details of the process and manner for remote e-voting are explained herein below:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2: Cast your vote electronically on NSDL e-Voting system.

    Details on Step 1 are mentioned below:

    How to Log-in to NSDL e-Voting website?

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

    2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
   b) "**Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

   If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is **108359.**
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to tcs.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Instructions

i. The e-voting period commences on Tuesday, June 12, 2018 (9.00 a.m. IST) and ends on Thursday, June 14, 2018 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, June 8, 2018, 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 the vote again.

ii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM 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 the vote.

iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, 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. The results shall also be displayed on the notice board at the Registered Office of the Company.

By Order of the Board of Directors

RAJENDRA MOHOLKAR
Company Secretary

Mumbai, April 19, 2018

Registered Office:
9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021
CIN: L22210MH1995PLC084781
Tel: 91 22 6778 9595
Email: investor.relations@tcs.com Website: www.tcs.com

Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item No. 4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W – 100022), were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting ("AGM") of the Company held on June 16, 2017, to hold office from the conclusion of the twenty-second AGM till the conclusion of the twenty-seventh AGM to be held in the year 2022.

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 the appointment of statutory auditors as per the proposal contained in the Resolution set out at Item No. 4 of this Notice.

The Board recommends the Resolution at Item No. 4 of this Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives, is, in any way, concerned or interested in the Resolution set out at Item No. 4 of this Notice.

Item No. 5

Ms. Aarthi Subramanian relinquished her position as the Executive Director of the Company with effect from August 17, 2017 for taking up a leadership role as the Group Chief Digital Officer at Tata Sons Limited.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Aarthi Subramanian as an Additional Director of the Company with effect from August 17, 2017. Pursuant to the provisions of Section 161(1) of the Act and Article 73 of the Articles of Association of the Company, she holds office up to the date of this AGM and is eligible to be appointed as Director, whose office shall be liable to retire by rotation. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a member, proposing her candidature for the office of Director.

Ms. Aarthi Subramanian holds a B.Tech in Computer Science from the National Institute of Technology, Warangal and a Masters in Engineering Management from the University of Kansas, USA.

A professional with over 28 years of experience in the global technology sector, Ms. Aarthi Subramanian started her career with Tata Consultancy Services (TCS) and worked in diverse roles in India, Sweden, USA and Canada, thereby gaining rich experience in consulting engagements and management of large-scale technology programs as well as operations.

At TCS, Ms. Aarthi Subramanian was Executive Director and Global Head of Delivery Excellence, Governance and Compliance. She was responsible for driving excellence in service delivery, governance of key programs and initiatives as well as enterprise-wide compliance.

Further details of Ms. Aarthi Subramanian have been given in the Annexure to this Notice.

The Board recommends the Resolution at Item No. 5 of this Notice for approval of the Members.

Except Ms. Aarthi Subramanian and her relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 5 of this Notice.

Item No 6:

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Dr. Pradeep Kumar Khosla, as an Additional Director of the Company and also an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from January 11, 2018 to January 10, 2023, subject to approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Article 73 of the Articles of Association of the Company, Dr. Pradeep Kumar Khosla shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received a declaration from Dr. Pradeep Kumar Khosla to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, Dr. Pradeep Kumar Khosla fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

Dr. Pradeep Kumar Khosla holds a B.Tech Degree in Electrical Engineering from IIT–Kharagpur and has received his MS and PhD degrees in Electrical and Computer Engineering from Carnegie Mellon University. He is the eighth Chancellor of the University of California, San Diego, and a distinguished professor in the Department of Electrical and Computer Engineering and Computer Science and Engineering. He began his teaching career at Carnegie Mellon University in 1986 and was elected as the University Professor in 2008, the highest distinction a faculty member could achieve.

His research interest encompass the areas of internet-enabled collaborative design, collaborating autonomous systems, agent-based architectures for distributed design and embedded control, software composition and reconfigurable software for real-time embedded systems, reconfigurable and distributed robotic systems, integrated design-assembly planning systems and distributed information systems.

He is a Fellow of the Institute of Electrical and Electronics Engineers, the American Society of Mechanical Engineers, the American Association for Advancement of Science, the American Association of Artificial Intelligence and the Indian Academy of Engineering.

He serves on advisory boards for several non-profit and government organizations, venture capital firms and high-tech start-up companies. He has served as a member of Strategy Review Board for the Ministry of Science and Technology, Taiwan; the Council of Deans of the Aeronautics Advisory Committee, NASA; the National Research Council Board on Manufacturing and Engineering Design; the Pennsylvania Treasury Advisory Board; and the Senior Advisory Group for the DARPA Program on Joint Unmanned Combat Air Systems.

Further details of Dr. Pradeep Kumar Khosla have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Dr. Pradeep Kumar Khosla as an Independent Director is now being placed before the Members for their approval.

The Board recommends the Resolution at Item No. 6 of this Notice for approval of the Members.

Except Dr. Pradeep Kumar Khosla and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 6 of this Notice.

Item No. 7:

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 recommends the Resolution at Item No. 7 of this Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives, is, in any way, concerned or interested in the Resolution set out at Item No. 7 of this Notice.

By Order of the Board of Directors

RAJENDRA MOHOLKAR

Company Secretary

Mumbai, April 19, 2018

Registered Office:

9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

CIN: L22210MH1995PLC084781

Tel: 91 22 6778 9595

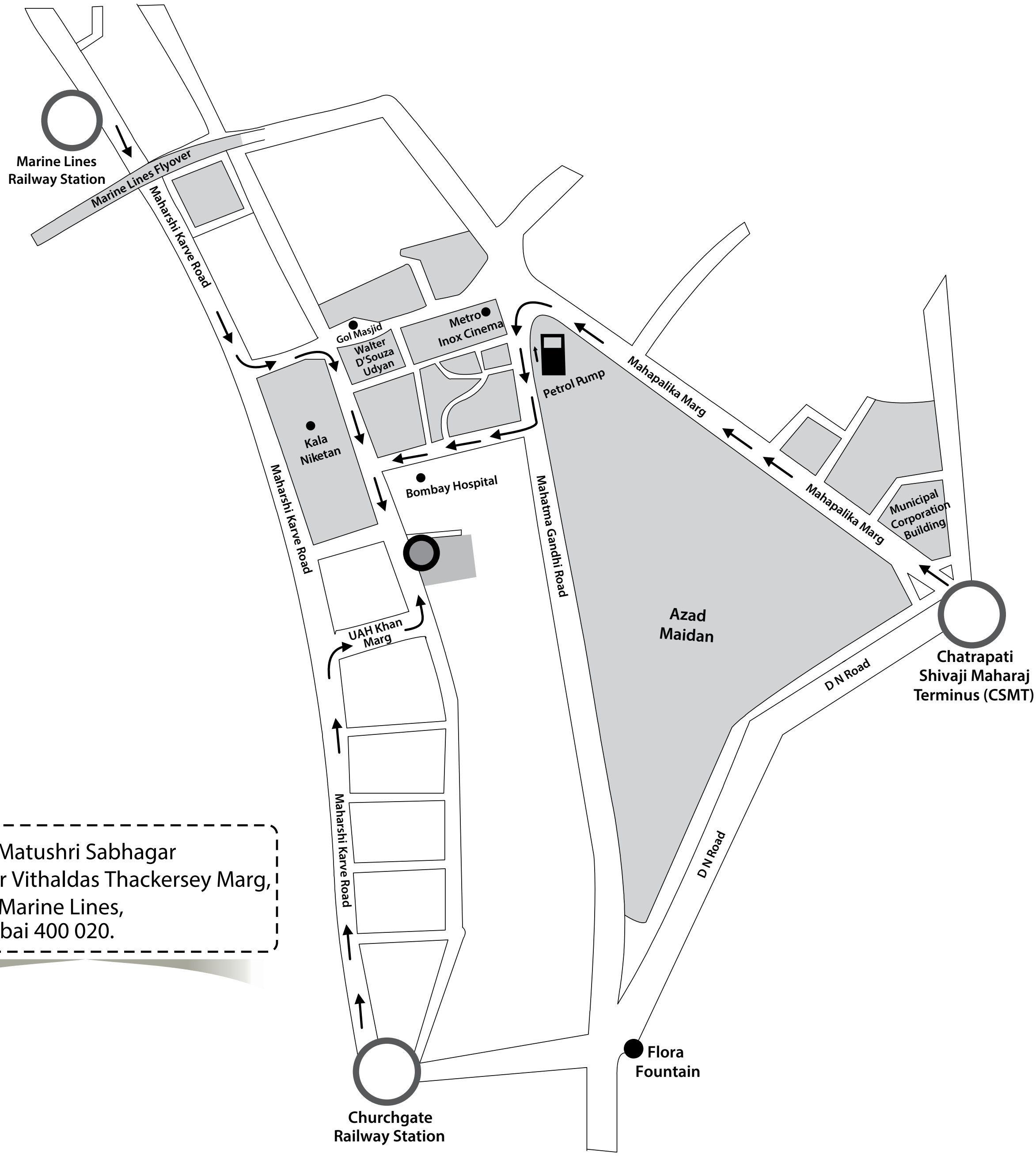
Email: investor.relations@tcs.com Website: www.tcs.com

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Particulars	Mr. N. Chandrasekaran	Ms. Aarthi Subramanian	Dr. Pradeep Kumar Khosla
Date of Birth	June 2, 1963	June 26, 1967	March 13, 1957
Date of Appointment	February 21, 2017	August 17, 2017	January 11, 2018
Qualifications	• Bachelor's Degree in Applied Science • Master's Degree in Computer Application	• B. Tech in Computer Science • Master's Degree in Engineering Management	• B. Tech in Electrical Engineering • Master's Degree and PhD in Electrical and Computer Engineering
Expertise in specific functional areas	Wide experience in Information Technology	Wide experience in Information Technology	Wide experience in academia and Information Technology
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	• Tata Sons Limited • Tata Global Beverages Limited • Tata Steel Limited • Tata Motors Limited • The Indian Hotels Company Limited • The Tata Power Company Limited	• Tata Capital Limited • Tata AIA Life Insurance Company Limited	Nil
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil	Stakeholders' Relationship Committee • Tata Capital Limited (Chairperson)	Nil
Number of shares held in the Company	88,528	2,800	Nil

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 above directors, please refer to the corporate governance report which is a part of this Annual Report.

Route Map to the AGM Venue



Birla Matushri Sabhagar
19, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai 400 020.

Directors' **Report**

To the Members,

The Directors present the Annual Report of Tata Consultancy Services Limited (the Company or TCS) along with the audited financial statements for the financial year ended March 31, 2018. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Financial results

(₹ crore)

	Unconsolidated		Consolidated	
	Financial Year 2017-18 (FY18)	Financial Year 2016-17 (FY17)	**Financial Year 2017-18 (FY18)**	Financial Year 2016-17 (FY17)
Revenue from operations	**97,356**	92,693	**1,23,104**	1,17,966
Other income (net)	**5,803**	4,568	**3,642**	4,221
Total income	**1,03,159**	97,261	**1,26,746**	1,22,187
Expenses				
Operating expenditure	**69,551**	65,604	**90,588**	85,655
Depreciation and amortization expense	**1,647**	1,575	**2,014**	1,987
Total expenses	**71,198**	67,179	**92,602**	87,642
Profit before finance cost and tax	**31,961**	30,082	**34,144**	34,545
Finance costs	**30**	16	**52**	32
Profit before tax (PBT)	**31,931**	30,066	**34,092**	34,513
Tax expense	**6,690**	6,413	**8,212**	8,156
Profit for the year	**25,241**	23,653	**25,880**	26,357
Attributable to:				
Shareholders of the Company	**25,241**	23,653	**25,826**	26,289
Non-controlling interests	**NA**	NA	**54**	68
Opening balance of retained earnings	**65,965**	53,576	**71,071**	56,113
Adjustment with other equity	**184**	59	**208**	25
Buy-back of equity shares	**(4,999)**	-	**(4,999)**	-
Amount available for appropriation	**86,391**	77,288	**92,106**	82,427
Appropriations				
Dividend on equity shares (excluding tax)	**9,284**	9,162	**9,284**	9,162
Tax on dividends	**1,442**	1,785	**1,442**	1,785
Capital redemption reserve	**6**	-	**6**	-
General reserve	**-**	-	**-**	-
Statutory reserve	**-**	-	**40**	33
Special Economic Zone re-investment reserve	**1,579**	376	**1,579**	376
Closing balance of retained earnings	**74,080**	65,965	**79,755**	71,071

2. Issue of Bonus Shares

Considering the financial position, the Board of Directors at its meeting held on April 19, 2018, recommended issue of Bonus Shares, subject to approval of Members, in the ratio of one new Equity Share of the Company of ₹1 each, as fully paid-up, for every one existing Equity Share of the Company. The Bonus Shares will be issued, by capitalizing a part of its retained earnings, to those persons who are Members as on the record date.

3. Buyback of Equity Shares

5,61,40,350 equity shares were bought back during the year, at a price of ₹2,850 per Equity Share for an aggregate consideration of ₹16,000 crore. The Offer Size of the Buyback was 21.89% of the aggregate paid-up equity share capital and free reserves of the Company, and represented 2.85% of the total issued and paid-up equity share capital of the Company. The buyback process was completed and the shares were extinguished on June 7, 2017.

4. Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend of ₹29 per share for FY18 taking the total dividend to ₹50 per share (previous year ₹47 per share). The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹6,693 crore, including dividend tax. The total dividend on equity shares including dividend tax for FY18 would aggregate ₹11,377 crore, resulting in a payout of 45.07% of the unconsolidated profits of the Company.

5. Transfer to reserves

The Directors have decided to retain the entire amount of ₹74,080 crore in the retained earnings.

6. Company's performance

On a consolidated basis, the revenue from operations for FY18 at ₹1,23,104 crore was higher by 4.40% over the previous year (₹1,17,966 crore in FY17). The profit after tax attributable to shareholders and non-controlling interests was ₹25,880 crore (₹26,357 crore in FY17). The profit after tax attributable to shareholders was ₹25,826 crore (₹26,289 crore in FY17).

On an unconsolidated basis, the revenue from operations for FY18 was at ₹97,356 crore (₹92,693 crore in FY17). The profit for the year was ₹25,241 crore (₹23,653 crore in FY17).

7. Human resource development

Recognising the imperatives of Business 4.0 era, the Company is investing heavily in transforming the workforce at scale, even while simplifying processes and making them more agile to cater to the needs of a predominantly millennial workforce.

In FY18, the Company hired globally, leveraging a completely digitised hiring and onboarding process that harnesses next generation technologies. TCS' workforce of 3,94,998 is dynamic and diverse, with 35.3% women, from 131 nationalities and over 85% belonging to Gen Y. The Company is using digital technologies to gain intelligent insights while designing HR strategies to keep the young workforce engaged and motivated.

The Company continuously explores new approaches to learning and development to keep the workforce relevant in an evolving technology landscape. In addition, the Company continues to invest in leadership development programs at all levels to sustain the Company's growth, while staying true to the core values which underpin TCS' success over the last five decades.

The Company's culture promotes an environment that is transparent, flexible, fulfilling and purposeful. A host of customised initiatives based on a deep understanding of individual needs and aspirations, backed by the power of data sciences, have helped create an engaging workplace that enables individuals to realise their potential.

The Company is driven by passionate and highly engaged workforce. This is evident from the fact that the Company continues to remain the industry benchmark for talent retention. Attrition in FY18 was at 11% for IT Services and 11.8% on an overall basis.

8. Quality initiatives

The Company continues its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management. In FY18, the Company retained its enterprise-wide ISO certification for Quality Management (ISO 9001:2015), IT Service Management (ISO 20000-1:2011), Information Security Management (ISO 27001:2013), and Business Continuity Management (ISO 22301:2012). In addition, the Company was certified under the new ISO Standard for Business Process Outsourcing (ISO 30105:2016). The Company's strong commitment to the environment and occupational health and safety of its employees and business partners is demonstrated through its enterprise-wide Environmental Management (ISO 14001:2004) and Occupational Health and Safety Management (BS OHSAS 18001:2007) certifications. The Company also maintains domain-specific quality certifications including AS 9100 (Aerospace), TL 9000 (Telecom) and ISO 13485 (Medical Devices).

The Company's Global Network Delivery Model (GNDM™), built on a strong process-driven and customer-centric integrated Quality Management System (iQMS™), continues to deliver outstanding value and experience to our customers. iQMS™ is continually enhanced for emerging service offerings, new delivery methodologies, industry best practices and latest technologies. The Company is committed to transforming itself into an agile enterprise. Towards this, it invests in developing its agile workforce, creating agile offerings, moving into agile workspaces and transforming its customer relationships into agile partnerships.

The Company continues to invest in knowledge management platforms for effective collaboration, learning and sharing. The Company received the prestigious Most Admired Knowledge Enterprise (MAKE) award in the Global Independent Operating Unit (IOU) category for the eighth time and in the Asian and Indian categories for the thirteenth time.

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

9. Subsidiary companies

The Company has 50 subsidiaries as on March 31, 2018 (58 subsidiaries as on March 31, 2017). There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

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

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

Restructuring of following subsidiaries in Europe was completed during the year:

a. Alti Switzerland S.A. merged with Tata Consultancy Services Switzerland Ltd effective March 29, 2018.

b. Alti NV merged with Tata Consultancy Services Belgium (formerly known as Tata Consultancy Services Belgium S.A.) effective March 30, 2018.

c. Tata Consultancy Services France S.A.S., Alti HR S.A.S., Alti Infrastructures Systemes & Reseaux S.A.S. and TESCOM (France) Software Systems Testing S.A.R.L. merged with Alti S.A., effective March 31, 2018.

d. Teamlink, a wholly owned subsidiary of Alti NV, was liquidated effective January 31, 2018.

e. Planaxis Technologies Inc., a wholly owned subsidiary of Alti S.A. was liquidated effective March 31, 2018.

The name of Alti S.A. was changed to Tata Consultancy Services France SA effective March 31, 2018.

10. Directors' responsibility statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY18.

11. Directors and key managerial personnel

Dr. Vijay Kelkar, Independent Director and Mr. Ishaat Hussain, Non-Executive Director retired with effect from May 14, 2017 and September 3, 2017, respectively, in accordance with the retirement age policy for Directors. The Board places on record its appreciation for their invaluable contribution and guidance provided by them.

Ms. Aarthi Subramanian relinquished the office of Executive Director for taking up leadership role as Group Chief Digital Officer at Tata Sons Limited and was appointed as Additional Director in non-executive capacity with effect from August 17, 2017.

Dr. Pradeep Kumar Khosla was appointed as an Additional and Independent Director with effect from January 11, 2018.

Mr. N. Chandrasekaran, retires by rotation and being eligible, offered himself for re-appointment.

Pursuant to the provisions of Section 149 of the Act, Mr. Aman Mehta, Mr. V. Thyagarajan, Prof. Clayton M. Christensen, Dr. Ron Sommer, Mr. O. P. Bhatt and Dr. Pradeep Kumar Khosla are Independent Directors of the Company. They have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as an Independent Director during the year.

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

The Board appointed Mr. Rajendra Moholkar as the Company Secretary and Compliance Officer, to take over from Mr. Suprakash Mukhopadhyay with effect from April 24, 2017. The Board places on record its appreciation for the outstanding contribution of Mr. Suprakash Mukhopadhyay as Global Treasury Head and Company Secretary.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2018 are:

Mr. Rajesh Gopinathan, Chief Executive Officer and Managing Director, Mr. N. Ganapathy Subramaniam, Chief Operating Officer and Executive Director, Mr. Ramakrishnan V., Chief Financial Officer and Mr. Rajendra Moholkar, Company Secretary.

During the year, Ms. Aarthi Subramanian ceased to be a Key Managerial Personnel of the Company with effect from August 17, 2017.

12. Number of meetings of the Board

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

13. 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, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

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

In a separate meeting of independent directors, performance of non-independent directors, the Chairman of the Company and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

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

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, 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.

14. Policy on directors' appointment and remuneration and other details

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

15. Internal financial control systems and their adequacy

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

16. Audit committee

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

17. Auditors

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), were appointed as statutory auditors from the conclusion of the twenty-second Annual General Meeting (AGM) held on June 16, 2017 till the conclusion of the twenty-seventh AGM of the Company in 2022, subject to the ratification of their appointment at every AGM, if required under law. Accordingly, necessary resolution for ratification of appointment of auditors is included in the Notice for this AGM.

18. Auditor's report and secretarial audit report

The auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks. Secretarial audit report is attached to this report.

19. Risk management

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

20. Particulars of loans, guarantees and investments

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

21. Transactions with related parties

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure I** in Form No. AOC-2 and the same forms part of this report.

22. Corporate social responsibility

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

23. Extract of annual return

As per the requirements of Section 92(3) of the Act, the extract of the annual return is given in **Annexure III** in the prescribed Form No. MGT-9, which is a part of this report.

24. Particulars of employees

The information required under Section 197 of the Act read with Rule 5 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 and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

Name	Ratio to median remuneration	% increase in remuneration in the financial year
Non-executive directors:		
Mr. N. Chandrasekaran	-	-
Mr. Aman Mehta	50.91	13.21
Mr. V. Thyagarajan	33.94	11.11
Prof. Clayton M. Christensen	25.45	11.11
Dr. Ron Sommer	35.64	10.53
Dr. Vijay Kelkar*	^	^
Mr. Ishaat Hussain**	^	^
Mr. O. P. Bhatt	33.94	17.65
Ms. Aarthi Subramanian***	-	-
Dr. Pradeep Kumar Khosla****	^	^
Executive directors:		
Mr. Rajesh Gopinathan	211.99	^^
Mr. N. Ganapathy Subramaniam	157.78	^^
Chief Financial Officer		
Mr. Ramakrishnan V.	-	^^
Company Secretary		
Mr. Suprakash Mukhopadhyay @	-	-
Mr. Rajendra Moholkar @@	-	^^

* Retired as Independent Director w.e.f. May 14, 2017 in accordance with the retirement age policy for Directors.

** Retired as Director w.e.f. September 3, 2017 in accordance with the retirement age policy for Directors.

*** Relinquished the office of Executive Director and appointed as an Additional Director in non-executive capacity w.e.f. August 17, 2017. The remuneration is for part of the year and is not comparable and hence, not stated.

**** Appointed as an Additional and Independent Director w.e.f. January 11, 2018.

@ Relinquished the office of Company Secretary and Compliance Officer w.e.f. April 24, 2017.

@@ Appointed as Company Secretary and Compliance Officer w.e.f. April 24, 2017.

^ Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and % increase in remuneration is not comparable and hence, not stated.

^^ Remuneration received in FY18 is not comparable with remuneration received in FY17 owing to change in role/designation and hence, not stated.

b. The percentage increase in the median remuneration of employees in the financial year: 0.57%, reflecting an improvement in the overall employee pyramid.

c. The number of permanent employees on the rolls of Company: 3,94,998.

d. **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 5-6% in India. However, during the course of the year, the total increase is approximately 7%, after accounting for promotions and other event based compensation revisions. Employees outside India received a wage increase varying from 2% to 5%. Increase in the managerial remuneration for FY18 is not comparable with FY17 owing to change in role/designation and hence, not stated.

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

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

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

25. Disclosure requirements

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

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

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

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

26. 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.

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

Conservation of energy:

Retaining the momentum on our energy and carbon management programs, the Company achieved its 2020 target to reduce the specific carbon footprint by 50%, in FY18 – 2 years ahead of the timeline. Green buildings, efficient operations, green IT and the use of renewable energy have been the key enablers in our journey of carbon and energy performance improvement. As the Company grows, it would add more green buildings to its campuses. The TCS Remote Energy Management and Control program witnessed rapid scaling up and achieved further maturity during the year. Internet of Things (IoT) platform was leveraged to acquire asset (chillers, air handling units, etc.) level data and analysed to improve asset efficiency and operations. Renewable energy used in the Company's offices increased to 8.5% as compared to 7.3% in the last year. During the year, Company added 2.05 MW of solar rooftop system across four locations, taking the total installed capacity to 3.55 MW. On data center power management, Company successfully reduced the Power Utilization Efficiency (PUE) of 13 data centers to the target of 1.7. The average PUE across 23 key data centers is at 1.7. These initiatives collectively resulted in the Company's energy consumption reducing by 4.5% over the prior year, on a per FTE basis.

Technology absorption, adaption and innovation:

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

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

TCS Research and Innovation (R&I) activities and outcomes were aligned to the Company's focus areas (personalization, new value creation models, ecosystems leverage, a mindset to embrace risk and abundance) enabled by technologies and appropriate processes (Intelligence, Agility, Cloud and Automation). Teams in Research, Incubation, Innovation and the Co-Innovation Network, have worked on the 'Ideas to Execution' process, and delivered value to business and to social causes as well.

Some examples of such work are presented here.

The Conversational Systems that emerged from the Company's research enabled mass personalisation for its associates. For instance, the chatbot created for HR answers queries from associates on leave policies; several bots enable personalisation in Fresco - our collaboration platform.

Many research programs have enabled a step change in processes creating exponential value for customers. The Physical Sciences research team was effective in building a "Digital Twin" for thermal plants; Using the rich data such plants already have, creating models and simulation technologies, our research enabled lowering risk in plant functions, increasing agility and creating savings. The research team worked closely with the retail business unit to build a dynamic pricing model for retailers, taking into account millions of Stock Keeping Units (SKUs), demand patterns and competitive pricing by e-commerce channels. This enabled to help retail customers cut costs and also forecast sales with accuracy. The TCS Connected Universe Platform team along with the engineering and manufacturing business units won prestigious engagements. The drones program created interest across business units and several projects are in progress.

Organisations today need intelligent and automated tools to manage risk. Automated Compliance to identify regulatory changes, data privacy with fine-grained consent management and lightweight encryption research projects made progress. The TCS Blockchain solution has been integrated with the TCS BaNCS platform. TCS MasterCraft Tools team launched a General Data Protection Regulations (GDPR) Compliant edition as part of its MasterCraft Data Plus suite. The TCS MasterCraft trial version was tried by over 1,000 customers in the last 6 months. MasterCraft added 30 new customers this year.

The Company leveraged both the Academic Research Ecosystem and the Emerging Tech ecosystem for collaborative research as part of its Co-Innovation (TCS COIN™) Program. Your Company has comprehensive Memorandum of Understanding (MoU) for joint research projects with the Indian Institute of Science Bangalore, all five of the older IITs, and Indian Statistical Institute, Kolkata. There are focused projects also with other leading academic research institutes in India. The Company's R&I continues its collaboration with leading universities in North America, Europe and Asia Pacific in a number of areas including genomics, materials, digital manufacture, data analytics, cyber security, smart cities, intelligent infrastructure and digital health.

The Company also leveraged its internal ecosystem - the problem solving capability of its associates. Innovation events such as ideathons and hackathons happened every week. These put forth customer problems; associates offered ideas and created prototypes to solve them. The response to these events was overwhelming. Internal teams and customers gained immensely from them. The TCS Innovista competition attracted over 1000 entries across the Company.

The Company remained closely connected to customers through events in different geographies. TCS Innovation Forum was held in New York City, London, Medellin and Sao Paulo, attracting 700+ customers, partners and technology experts. TCS hosted "The TCS Slush Experience", a curated pitching session, to connect customers to some breakthrough technology companies (at "Slush", the biggest start-up event in Europe). TCS Innovation Days and workshops continue to be held for customers in various geographies. Several pilot and proofs of concept implementations resulted from these connects.

The Company was honoured by the Fortune magazine as one of the 50 companies that "Changed the World" based on its digital farming Innovation, "mKRISHI". The Company won the Physionet Challenge 2017 for ECG Analytics. Researchers from TCS and IIT Kanpur stood 4th in the Amazon Robotics Challenge. TCS Accessibility Practice won the International Federation for Information Processing (IFIP) Technical Committee on Human–Computer Interaction's Accessibility Award for 2017. The Company won four awards at the Tata Innovista 2017 competition. Several researchers won individual honours for presenting papers and by winning competitions. Three Researchers from the Company have been mentioned in JFG's Global AI Talent Report 2018.

Researchers from the Company presented 250+ papers in premier conferences, have written books and book chapters.

As of March 31, 2018, the Company has applied for 3916 patents, including 522 applied during the year. Till date, the Company has been granted 654 patents.

Future plan of action

Digital reimagination of industry and society, and industrialistion of software and computing will both continue to be the focus of TCS R&I. Engagement with all its businesses with its Co-Innovation Network, and with society at large will continue.

Expenditure on R&D

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

Expenditure incurred in the R&D centers and innovation centers during FY17 and FY18 are given below:

(₹ crore)

Expenditure on R&D and innovation		Unconsolidated		Consolidated	
		FY18	FY17	FY18	FY17
a.	Capital	**-**	1	**-**	1
b.	Recurring	**295**	281	**298**	281
c.	Total R&D expenditure (a+b)	**295**	282	**298**	282
d.	Innovation center expenditure	**1,079**	878	**1,202**	996
e.	Total R&D and innovation expenditure (c+d)	**1,374**	1160	**1,500**	1,278
f.	R&D and innovation expenditure as a percentage of total turnover	**1.4%**	1.2%	**1.2%**	1.1%

Foreign exchange earnings and outgo

Export revenue constituted 92.22% of the total unconsolidated revenue in FY18 (92.41% in FY17).

(₹ crore)

Foreign exchange earnings and outgo		FY18	FY17
a.	Foreign exchange earnings	**92,258**	86,370
b.	CIF Value of imports	**768**	561
c.	Expenditure in foreign currency	**33,014**	31,553

28. Acknowledgements

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

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

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

On behalf of the Board of Directors

N. Chandrasekaran
Chairman

Mumbai, April 19, 2018

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Tata Consultancy Services Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY18. 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: All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of 10% of consolidated turnover and considering wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Act.

On behalf of the Board of Directors

N. Chandrasekaran
Chairman

Mumbai, April 19, 2018

Annexure II

Annual Report on CSR Activities

A brief outline of the Company's Corporate Social Responsibilty (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:

The guiding principle of TCS' CSR programs is "Impact through Empowerment". Empowerment results in enabling people to lead a better life. The Company's focus areas are Education and Skill Development, Health and Wellness and Environmental Sustainability. In addition, the Company has been supporting the restoration of heritage sites as well as participating in relief operations during natural disasters.

The Company's participation focuses on operations where it can contribute meaningfully either through employee volunteering or through using core competency which develops solutions. In addition, for key engagements, it also partners with other Tata entities, NGOs, Government and the clients.

The communities that the Company chooses are economically backward, and consist of marginalized groups (like women, children and aged) and differently abled. In addition, the Affirmative Action programs of the Company in India are directed towards SC/ST communities as defined by the Government of India.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programmes undertaken by the Company are available on links given below:

https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/corporate-sustainability/TCS-Global-Policy-Corporate-Social-Responsibility.pdf

https://www.tcs.com/community-initiatives-and-impact

1. **The composition of the CSR committee:** The Company has a CSR committee of directors comprising Mr. N. Chandrasekaran, Chairman of the Committee, Mr. O. P. Bhatt, Mr. Rajesh Gopinathan and Ms. Aarthi Subramanian.

2. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** ₹24,868 crores.

3. **Prescribed CSR Expenditure (two per cent of the amount as in item 2 above):** ₹497 crores.

4. **Details of CSR spent during the financial year:**

   a. **Total amount to be spent for the financial year:** ₹497 crores.

   b. **Amount unspent:** ₹97 crores.

      Some of the large programmes in the areas of healthcare, education and promoting employability are multiyear projects

   c. **Manner in which the amount spent during the financial year:** Annexed

5. **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. 4(b) above.

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

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

Rajesh Gopinathan
Chief Executive Officer and Managing Director

N. Chandrasekaran
Chairman, Corporate Social Responsibility Committee

Mumbai, April 19, 2018

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

(₹ crore)

Sr. No.	CSR Project or Activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or program Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent : Direct or through implementing agency
1	Training and educating children,women, elderly, differently abled, scholarships, special education and increasing employability, childline software support to track missing children	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, measures for reducing inequalities faced by socially and economically backward groups	Pan India	263	86	247	Through implementing agency
2	Disaster Relief, technical support for Hospitals including Cancer Institutes, promoting hygenic sanitation	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	Pan India	400	131	310	Through implementing agency

(₹ crore)

Sr. No.	CSR Project or Activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or program Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent : Direct or through implementing agency
3	Water conservation through desilting, repair and maintenance of lakes,watershed restoration for sustainability and flood protection.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	Pan India	16	1	2	Direct
4	Contribution to TCS Foundation	Various sectors covered by Schedule VII of the Companies Act, 2013	Pan India	492	172	490	Through implementing agency
	Sub-total			**1,171**	**390**	**1,049**	
	Overheads for various CSR initiatives				10		
	Total CSR Spend				**400**		

Note: With respect to the projects identified by the Company as a part of its CSR activities, the Company had an outlay of ₹1,180 crore against which a cumulative expenditure of ₹1,056 crore has been incurred upto March 31, 2018.

Annexure III

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2018

[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
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:

Sr. 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	71.89	2(46)
2.	APTOnline 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 9th floor, Nirmal Building, Nariman Point, Mumbai 400 021 Maharashtra, India	U74999MH2015NPL262710	- do -	100	2(87)
8.	Tata Consultancy Services (Africa) (PTY) Ltd. 39 Ferguson Road, Illovo, Johannesburg 2196, South Africa	Not applicable	- do -	100	2(87)
9.	Tata Consultancy Services (South Africa) (PTY) Ltd. 39 Ferguson Road, Illovo, Johannesburg 2196, South Africa	- do -	- do -	100	2(87)
10.	Tata Consultancy Services Qatar S. S. C. 935 Al Fardan Office Tower, Al Fardan 61, P.O. Box No. 31316, Doha, State of Qatar	- do -	- do -	100	2(87)
11.	Tata Consultancy Services Saudi Arabia Akaria, Centre II, 7th 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 Suite 21-16, Level 21, G Tower, 199, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.	- do -	- do -	100	2(87)
14.	Tata Consultancy Services (China) Co., Ltd. 1st floor, Tower D 3rd Block Zhongguancun Software Park Building No. 9, No. 8 Dongbeiwang West Road, Haidian District, Beijing, Peoples Republic of China	- do -	- do -	93.20	2(87)
15.	PT Tata Consultancy Services Indonesia Gedung Menara Prima Lt.6 Unit F, Jl. Dr. Ide Anak Agung Gde Agung Blok 6.2, Kawasan Mega Kuningan Kel. Kuningan Timur, Kec. Setiabudi Jakarta Selatan 12950	- do -	- do -	100	2(87)
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, Panorama Towers, 34th Street Corner, Lane A, Bonifacio Global City, Taguig City, Philippines 1634	- do -	- do -	100	2(87)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
18.	Tata Consultancy Services Japan, Ltd. 38 Masonic MT Building, 4-1-4 Shibakoen, Minato Ku, Tokyo, 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 2 planta 28037, Madrid, Spain	- do -	- do -	100	2(87)
21.	Tata Consultancy Services Deutschland GmbH Messeturm, D-60308 Frankfurt a.M., Germany	- do -	- do -	100	2(87)
22.	Tata Consultancy Services Netherlands B.V. 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 (formerly Tata Consultancy Services Belgium S.A.) Lenneke Marelaan 6, 1932 Sint-Stevens-Woluwe, Belgium	- do -	- do -	100	2(87)
25.	TCS Italia s.r.l. Corso Italia 1, Milano 20122, Italy	- do -	- do -	100	2(87)
26.	Diligenta Limited Lynch Wood, Peterborough, Cambridgeshire, PE2 6FY, United Kingdom	- do -	- do -	100	2(87)
27.	Tata Consultancy Services (Portugal) Unipessoal, Limitada Av. José Gomes Ferreira, 15.7 U, 1495-139 Algés Portugal	- do -	- do -	100	2(87)
28.	Tata Consultancy Services Luxembourg S.A. Rue 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 Osterreich GmbH Schottengasse 1, 1010 Wien, Austria	- do -	- do -	100	2(87)
31.	Tata Consultancy Services Danmark ApS C/o CityCallCenter ApS, Hammerensgade 1, 2, 1267 Kobenhavn K, Denmark	- do -	- do -	100	2(87)
32.	Tata Consultancy Services France SA (formerly Alti S.A.) Tour Franklin-La Defense 8, 100/101 Terrasse Boieldieu-92042 La Defense Cedex, Paris, France	- do -	- do -	100	2(87)
33.	TCS FNS Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	- do -	- do -	100	2(87)
34.	TCS Financial Solutions Australia Holdings Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	- do -	- do -	100	2(87)
35.	TCS Financial Solutions Australia Pty Limited Level 6, 76 Berry Street, North Sydney, NSW 2060 Australia	- do -	- do -	100	2(87)
36.	TCS Financial Solutions Beijing Co., Ltd. Unit 2509, No.23, Qinghe Anningzhuang East Road No.18, Haidian District, Beijing, Peoples Republic of China 100193	- do -	- do -	100	2(87)
37.	TCS Iberoamerica S.A. Colonia 1329; Montevideo, Uruguay	- do -	- do -	100	2(87)
38.	TCS Solution Center S.A. Ruta 8, km 17500, Zonamerica, Ed 600, Montevideo, Uruguay	- do -	- do -	100	2(87)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
39.	Tata Consultancy Services Argentina S.A. Uspallata 3046; Capital Federal, Buenos Aires, Argentina (CP: C1437JCJ)	- do -	- do -	99.99	2(87)
40.	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)
41.	TCS Inversiones Chile Limitada Curico 18, 3rd & 5th Floor, Santiago, Chile	- do -	- do -	100	2(87)
42.	Tata Consultancy Services Do Brasil Ltda Av. Aruanã, 70. Tamboré - Barueri; São Paulo, Brazil (Postal Code: 06460-010)	- do -	- do -	100	2(87)
43.	Tata Consultancy Services Chile S.A. Curicó 18, piso 3, Santiago, Chile	- do -	- do -	100	2(87)
44.	TATASOLUTION CENTER S.A Francisco Salazar E10-61 and Camilo Destruge, Building INLUXOR 7th Floor; Quito, Ecuador	- do -	- do -	100	2(87)
45.	TCS Uruguay S.A. Colonia 1324, Montevideo, Uruguay (Postal Code: 11100)	- do -	- do -	100	2(87)
46.	Technology Outsourcing S.A.C. Las Begonisa 475, sexto pisa, San Isidro, Lima 27-Peru	- do -	- do -	100	2(87)
47.	MGDC S.C. Avenue Tizoc No.97, Colonia Ciudad del Sol, ZapopanJalisco, Mexico (Postal Code 45050)	- do -	- do -	100	2(87)
48.	Tata America International Corporation 101, Park Avenue, 26th Floor, New York 10178, U.S.A.	- do -	- do -	100	2(87)
49.	CMC Americas, Inc. 379 Thornall Street, Edison 08837, New Jersey, U.S.A.	- do -	- do -	100	2(87)
50.	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)
51.	CMC eBiz, Inc. 379 Thornall Street, Edison 08837, New Jersey, U.S.A.	- do -	- do -	100	2(87)

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

i) Category-wise Shareholding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters and Promoter Group**									
(1)	**Indian**									
(a)	Individuals/Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	1,44,45,15,152	0	1,44,45,15,152	73.3	1,37,66,73,818	0	1,37,66,73,818	71.9	(1.4)
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(e)	Others-Trust	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)		**1,44,45,15,152**	**0**	**1,44,45,15,152**	**73.3**	**1,37,66,73,818**	**0**	**1,37,66,73,818**	**71.9**	**(1.4)**
(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)	Any Other (specify)									
	Sub-Total (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total Shareholding of Promoter and Promoter Group (A)	**1,44,45,15,152**	**0**	**1,44,45,15,152**	**73.3**	**1,37,66,73,818**	**0**	**1,37,66,73,818**	**71.9**	**(1.4)**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds/UTI	1,85,22,768	1,773	1,85,24,541	0.9	4,11,97,074	1,725	4,11,98,799	2.2	1.3
(b)	Financial Institutions/ Banks	7,31,730	2,703	7,34,433	0	5,42,844	2,555	5,45,399	0	0
(c)	Cental Government/State Government(s)	10,44,253	0	10,44,253	0.1	8,90,812	0	8,90,812	0	(0.1)
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	8,63,30,709	0	8,63,30,709	4.4	9,01,63,887	0	9,01,63,887	4.7	0.3
(f)	Foreign Institutional Investors	3,56,48,888	0	3,56,48,888	1.8	29,03,768	0	29,03,768	0.2	(1.6)
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
(i)	Foreign Portfolio Investors (Corporate)	29,72,84,243	0	29,72,84,243	15.1	32,02,12,127	0	32,02,12,127	16.7	1.6
(j)	Any Other (specify)									
Sub-Total (B) (1)		**43,95,62,591**	**4,476**	**43,95,67,067**	**22.3**	**45,59,10,512**	**4,280**	**45,59,14,792**	**23.8**	**1.5**

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	**Non-Institutions**									
(a)	Bodies Corporate	46,57,240	2,07,186	48,64,426	0.3	65,43,057	18,072	65,61,129	0.3	0.1
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	6,20,98,566	9,12,518	6,30,11,084	3.2	5,54,47,184	8,17,080	5,62,64,264	2.9	(0.3)
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,40,91,398	0	1,40,91,398	0.7	1,22,05,322	0	1,22,05,322	0.7	(0.1)
(c)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
(d)	Any Other									
i	Trusts	22,95,183	0	22,95,183	0.1	39,56,861	0	39,56,861	0.2	0.1
ii	Foreign Companies	28	0	28	0	28	0	28	0	0
iii	Clearing Members/ Clearing House	20,83,603	0	20,83,603	0.1	17,77,666	0	17,77,666	0.1	(0)
iv	Alternative Investment Fund	0	0	0	0	8,25,661	0	8,25,661	0	0
v	IEPF Suspense A/c	0	0	0	0	1,08,050	0	1,08,050	0.1	0.1
Sub-total (B) (2)		**8,52,26,018**	**11,19,704**	**8,63,45,722**	**4.4**	**8,08,63,829**	**8,35,152**	**8,16,98,981**	**4.3**	**(0.1)**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**52,47,88,609**	**11,24,180**	**52,59,12,789**	**26.7**	**53,67,74,341**	**8,39,432**	**53,76,13,773**	**28.1**	**1.4**
TOTAL (A)+(B)		**1,96,93,03,761**	**11,24,180**	**1,97,04,27,941**	**100.0**	**1,91,34,48,159**	**8,39,432**	**1,91,42,87,591**	**100.0**	**0**
(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)		**1,96,93,03,761**	**11,24,180**	**1,97,04,27,941**	**100.0**	**1,91,34,48,159**	**8,39,432**	**1,91,42,87,591**	**100.0**	**0**

ii) Shareholding of Promoters (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% 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 (Promoter)	1,44,34,51,698	73.3	2.3	1,37,61,18,911	71.9	2.1	(1.4)
2.	Tata Industries Limited	3,700	0	0	3,610	0	0	0
3.	AF- Taab Investment Company Limited	4,84,902	0	0	0	0	0	0
4.	Tata Investment Corporation Limited	5,50,000	0	0	5,27,110	0	0	0
5.	Tata Steel Ltd (Formerly Kalimati Investment Company Limited)	24,400	0	0	23,804	0	0	
6.	The Tata Power Company Limited	452	0	0	383	0	0	0
Total		**1,44,45,15,152**	**73.3**	**2.3**	**1,37,66,73,818**	**71.9**	**2.1**	**(1.4)**

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2017		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	Tata Sons Limited	144,34,51,698	73.3					144,34,51,698	73.3
				06-06-2017	Tendered in buyback offer	(3,60,63,787)	1.8		
				16-03-2018	Sale of Shares	(3,12,69,000)	1.6		
							3.4	1,37,61,18,911	71.9
2	Tata Industries Limited	3,700	0					3,700	0
				06-06-2017	Tendered in buyback offer	(90)	0	3,610	0
3	Af-Taab Investment Company Limited	4,84,902	0					4,84,902	0
				06-06-2017	Tendered in buyback offer	(74,288)			
				23-01-2018	Sale of Shares	(1,28,238)			
				26-01-2018	Sale of Shares	(2,82,376)			
							0	0	0
4	Tata Investment Corporation Ltd	5,50,000	0					5,50,000	0
				06-06-2017	Tendered in buyback offer	(22,890)			
							0	5,27,110	0
5	Tata Steel Limited	24,400	0					24,400	0
				06-06-2017	Tendered in buyback offer	(596)	0	23,804	0
6	The Tata Power Company Limited	452	0					452	0
				06-06-2017	Tendered in buyback offer	(69)	0	383	0

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

Sr. No	Top Ten Shareholders*	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding at end of the year 31.03.2018	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Life Insurance Corporation of India	7,18,41,104	3.7	7,53,84,947	3.9
2	First State Investments Icvc-Stewart Investors Asia Pacific Leaders Fund	1,60,35,510	0.8	1,50,54,489	0.8
3	Lazard Emerging Markets Equity Portfolio	1,05,32,329	0.5	98,19,005	0.5
4	Oppenheimer Developing Markets Fund	94,72,685	0.5	79,96,009	0.4
5	HDFC Trustee Company Limited	46,04,547	0.2	76,45,593	0.4
6	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	75,00,802	0.4	75,95,080	0.4
7	SBI Mutual Fund	39,44,557	0.2	70,56,720	0.4
8	Government of Singapore	98,57,425	0.5	64,97,754	0.3
9	Abu Dhabi Investment Authority	1,10,33,526	0.6	62,96,384	0.3
10	Vanguard Total International Stock Index Fund	56,85,917	0.3	61,79,273	0.3

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

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding at the end of the year 31.03.2018	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors							
1.	Mr. N. Chandrasekaran	01-Apr-2017		88,528	0	88,528	0
		31-Mar-2018				88,528	0
2.	Mr. Ishaat Hussain*	01-Apr-2017		1,740	0	1,740	0
		06-Jun-2017	Tendered in buyback offer	(42)	0	1,698	0
		03-Sept-2017				1,698	0
3.	Ms. Aarthi Subramanian	01-Apr-2017		2,800	0	2,800	0
		31-Mar-2018				2,800	0
4	Mr. Rajesh Gopinathan	01-Apr-2017		1,130	0	1,130	0
		31-Mar-2018				1,130	0
5.	Mr. N. Ganapathy Subramaniam	01-Apr-2017		98,880	0	98,880	0
		31-Mar-2018				98,880	0
Key Managerial Personnel							
1.	Mr. Ramakrishnan V.	01-Apr-2017		300	0	300	0
		25-Aug-2017	Purchase of Shares	700	0	1,000	0
		31-Mar-2018				1,000	0
2.	Mr. Rajendra Moholkar	01-Apr-2017		182	0	182	0
		31-Mar-2018				182	0

*Retired as Director of the Company w. e. f. September 3, 2017 in accordance with the retirement age policy for Directors.

V. INDEBTEDNESS

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

(₹ crore)

	Secured Loans excluding deposits	Unecured Loans	Deposits	Total Indebtedness
	Note 1	Note 2	Note 3	
Indebtedness at the beginning of the financial year				
i) Principal Amount	50	200	3	253
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**50**	**200**	**3**	**253**
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	(6)	(19)	0	(25)
Net Change	(6)	(19)	0	(25)
Indebtedness at the end of the financial year				
i) Principal Amount	44	181	3	228
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**44**	**181**	**3**	**228**

Notes:

1) These liabilities represent obligations under finance lease including current portion of obligations of ₹44 crore as of March 31, 2018.

2) These represent bank overdraft of ₹181 crores as of March 31, 2018.

3) 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/WTD/Manager			
		Mr. Rajesh Gopinathan Chief Executive Officer and Managing Director	Mr. N. Ganapathy Subramaniam Chief Operating Officer and Executive Director	Ms. Aarthi Subramanian* Executive Director	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	102.3	95.6	35.9	233.8
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	60.1	11.5	3.3	74.9
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	1000.0	700.0	150.0	1850.0
	as % of profit	0.03	0.02	0.01	0.06
5	Others, Allowances	86.8	122.7	42.4	251.9
	Total (A)	**1249.2**	**929.8**	**231.6**	**2410.6**
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)				3,11,537.3

* Relinquished the office of Executive Director and appointed as an Additional Director in non-executive capacity w.e.f. August 17, 2017.

B. **Remuneration to other directors:**

(₹ lakh)

Sr. No.	Particulars of Remuneration	Sitting Fees for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1	**Independent Directors**				
	Mr. Aman Mehta	4.5	300	-	304.5
	Mr. V. Thyagarajan	5.1	200	-	205.1
	Prof. Clayton M. Christensen	0.6	150	-	150.6
	Dr. Ron Sommer	3.9	210	-	213.9
	Dr. Vijay Kelkar*	0.6	50	-	50.6
	Mr. O. P. Bhatt	5.7	200	-	205.7
	Dr. Pradeep Kumar Khosla**	0.6	25	-	25.6
	Total (1)	**21.0**	**1135**	**-**	**1156.0**
2	**Other Non-Executive Directors**				
	Mr. N. Chandrasekaran#	3.0	-	-	3.0
	Mr. Ishaat Hussain***	2.4	130	-	132.4
	Ms. Aarthi Subramanian#	2.4	-	-	2.4
	Total (2)	**7.8**	**130**	**-**	**137.8**
	Total (B)=(1+2)	**28.8**	**1265**	**-**	**1293.8**
	Total Managerial Remuneration		1265		
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)		31,153.7		

* Retired as Independent Director w.e.f. May 14, 2017, in accordance with the retirement age policy for Directors.

** Appointed as an Additional and Independent Director w.e.f. January 11, 2018.

*** Retired as Director w.e.f. September 3, 2017 in accordance with retirement age policy for Directors.

Being in full time employment of other Tata company is not eligible for commission from FY18 onwards, pursuant to a policy in this regard.

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

(₹ lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Ramakrishnan V. Chief Financial Officer	Mr. Suprakash Mukhopadhyay@ Global Treasury Head and Company Secretary	Mr. Rajendra Moholkar@@ Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	66.5	9.5	15.1	91.1
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	7.2	4.7	0.4	12.4
	(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	263.3	15.2	103.0	381.5
	Total	**337.0**	**29.4**	**118.5**	**485.0**

@ Relinquished the office of Company Secretary and Compliance Officer w.e.f. April 24, 2017.

@@ Appointed as Company Secretary and Compliance Officer w.e.f. April 24, 2017.

Note : For more information, please refer to 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, 2018.

Form No. MR-3

Secretarial Audit Report
for the financial year ended March 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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, 2018, 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, 2018 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;(Not applicable to the Company during the audit period)

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

(vi) Other laws specifically applicable to the Company namely:-

(a) Information Technology Act, 2000 and the rules made thereunder;

(b) Special Economic Zones Act, 2005 and the rules made thereunder;

(c) Software Technology Parks of India rules and regulations

(d) The Indian Copyright Act, 1957

(e) The Patents Act, 1970

(f) The Trade Marks Act, 1999

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However, the Company has spent an amount of ₹400 crore against the amount of ₹497 crore 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 for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

The Company has completed buyback of its equity shares in June 2017.

For **Parikh & Associates**
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Mumbai, April 19, 2018

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

'Annexure A'

To,

The Members

Tata Consultancy Services Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

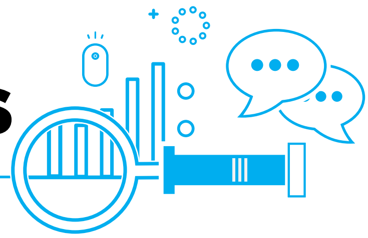
For **Parikh & Associates**
Company Secretaries

P. N. Parikh
Partner

Mumbai, April 19, 2018

FCS No: 327 CP No: 1228

Management
Discussion and Analysis



1.0 Overview of the Industry

In FY 2018, the global market for software and services is estimated to have grown to $1.3 Trillion[1]. Within that, outsourced IT-BPM services grew by 2.6% over the prior year. IT Services is estimated to have grown by 2.4% year on year, driven by digital demand, while Business Process Management (BPM) grew by 4% over the prior year on account of greater implementation of automation.

TCS has historically grown much faster than the market, driven by significant market share gains on account of a superior capabilities, greater participation in the digital opportunity and track record in taking on and successfully executing large, transformational programs. In the latest five-year period, while the market for IT-BPM services expanded by a CAGR of 1.3% (IT Services CAGR: 0.6%), TCS had a CAGR of 10.5% in USD terms.

2.0 Our Business

a. An Overview

TCS is an IT services, consulting and business solutions organization offering transformational as well as outsourcing services to global enterprises. We have a global presence, deep domain expertise in multiple industry verticals and a rich portfolio of services – consisting of consulting and service integration, digital transformation services, and cognitive business operations – targeting every C-suite stakeholder. The Company uses all these, and its industry leading suite of products and platforms to deliver high quality, high impact solutions leveraging the latest technologies to customers across the world.

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

TCS considers industry verticals as its primary business segments. The five key verticals are: Banking, Financial Services & Insurance (BFSI), Retail and Consumer Business, Communication, Media and Technology, Manufacturing and Others. The last category includes Life Sciences and Healthcare, Energy, Resources and Utilities, and others.

b. Strategy

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

Customer-centricity is at the core of TCS' strategy, organization structure and investment decisions. The philosophy has been to expand and deepen customer engagements by continually looking for new areas in the customer's operational value chain where TCS can add value, and to proactively invest in building newer capabilities to participate in those opportunities. This has resulted in a continual expansion of every customer relationship in terms of the services consumed, revenue and share of wallet. The willingness to invest in the relationship, the commitment to deliver outstanding outcomes and the track record of execution excellence has resulted in high satisfaction levels and long, enduring customer relationships.

Over time, every customer engagement results in the build-up of deep contextual knowledge of the customer's business which is leveraged to build innovative, transformative solutions. This is aided by TCS' investments in a robust research and innovation program, IP portfolio of accelerators, products and platforms, and partnerships and alliances with leading technology providers.

TCS' technology-agnosticism, appetite for investments in new capabilities and IP, full services portfolio, and enduring customer relationships keep TCS relevant through business and technology cycles, and makes the business very resilient.

[1] Source: NASSCOM Strategic Review FY 2018

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

Strategic Element	**Customer-centric organization structure and investment strategy**	**Full services capability spanning consulting and service integration, digital transformation services and business and IT operations**	**Investment in Research & Innovation, intellectual property and solution frameworks**	**Investing to expand our addressable market by:** • Acquiring new clients in existing geographies and verticals • Scaling newer geographies/ industry verticals • Building new capabilities/ launching new business models that leverage core strengths
Outcomes	• Vertical expertise, monetizable as IP • Deeper contextual knowledge • Entrepreneurial mindset in the business units • Continual acquisition of relevant skills to expand footprint • Expanding scope of engagements • Greater accountability • Higher customer satisfaction • Deep, enduring relationships • More defendable wallet share	• Larger transformational deals • More cross sell/up sell opportunities • Expanding scope of engagements • Improved share of wallet • Strong participation in digital opportunity • Continued relevance through cycles • Greater resilience	• Proactive solutioning • Stronger connect with business • Superior mindshare • Better time to market • Non-linear revenues • Pricing premium	• Diversified, de-risked revenue base • Greater scale of operations • More headroom for sustainable growth • Greater resiliency through different business cycles
Validation Metrics	• Superior client metrics • Strong references and testimonials • Growing revenue from Digital engagements • Resilient pricing • Superior margins • Sustainability of margins	• Deal wins • Client metrics • Digital growth • Historic growth profile	• Industry defining deal wins • Superior customer references • Higher productivity on an incremental basis • Resilient pricing	• Change in Segmental mix over time • Market share by geography and verticals

3.0 Business 4.0

TCS unveiled its Business 4.0 thought leadership framework that helps customers leverage the power of digital technologies to further their growth and transformation agendas. In the Business 4.0 era, the most successful enterprises are those that harness the abundance of resources created by the convergence of intelligence, agility, automation and cloud, and leverage digital technologies to become smarter, leverage the ecosystem, embrace risk and deliver a hyper-personalized experience to customers, to create exponential value.

a. Strategic Investments

TCS pioneered the use of the word 'digital' to describe the new family of technologies that emerged in the last few years, and recognizing their potential, made investments ahead of time[2] in building relevant capabilities – in terms of reskilling the workforce, research and innovation, building collaborative workspaces and innovation centers, intellectual property in these new areas and alliances and partnerships. Those early investments have given TCS a head start in participating in our customers' Business 4.0 journeys.

b. Outcomes

With digital adoption progressing, project ticket sizes have been steadily increasing. Today, as our more forward looking customers progress in their Business 4.0 evolution, they are looking at revamping their core to enable their transformational objectives.

Large transformational programs have deep, complex interlinkages to existing systems, and carry large operational risks. Our contextual knowledge, depth and scale in Digital capabilities positions us uniquely to meet their need for certainty and quick time to market. Consequently, TCS has gained significant share of wallet and is the preferred partner for our customers in their Digital initiatives.

Revenues from Digital engagements constituted 21.2% of the Company's revenues in FY 2018, growing by 35.3% in constant currency over the prior year.

The growing market share in Digital and glowing client testimonials of TCS' capabilities are also reflected in the high rankings assigned to TCS in the various competitive assessments pertaining to Digital capabilities, published by various industry analyst firms. In FY 2018, TCS was ranked a Leader among peers in 39 competitive assessments pertaining to different elements of the Digital stack.

4.0 Talent Acquisition, Talent Development and Retention

To cope with the demands of a Business 4.0 world, characterized by profound and rapid technology change, TCS' HR strategy is focused on reskilling and transforming its global, diverse workforce while providing a stimulating environment which is flexible, nurtures social contract, fosters innovation, builds a result-oriented, high performance culture. The Company has been leveraging Digital technologies extensively to reimagine its talent acquisition, talent development and engagement functions.

The progressive policies, continual investment in upgrading employees' skills and the philosophy of empowering individuals and helping them realize their potential has made TCS' HR processes and outcomes an industry benchmark.

- 394,998 employees
- 35.3% women
- 131 Nationalities

- 247K + associates trained in digital
- 861K digital competencies acquired
- 208K trained in Agile

Best in class Attrition
- 11% in IT Services
- 11.8% Overall, including BPS

[2] Ref MD&A - AR FY 2011, CEO's Letter - AR FY 2012

Academic Interface Program: Targets students and faculty with workshops, internships, sponsorship of contests, Faculty Development Programs, research scholarships, curriculum review, establishing technical institutes

- 706 institutes in India
- 881 workshops; 139,108 students
- 2,572 interns
- 345 Faculty Development programs; 12,412 teachers
- 379 institutes outside India; 703 internships
- 264 research scholars

Campus Commune: A unique student engagement portal for collaboration and peer networking, featuring webinars, educational videos and expert blogs

- 1.5 mn+ students
- 19 countries

Gamified hiring: Programming contests to spot top talent

- TESTimony, EngiNx, GameOn and CodeVita
- 1100+ hires

a. Talent Acquisition

TCS' talent acquisition strategy is to hire the right competencies required by the business at the right time, a judicious mix of lateral hires and trainees. TCS continues to remain the preferred employer at leading engineering campuses in India. The Company's college recruitment efforts in USA, Canada, Latin America, China and Hungary have been progressing well with very encouraging outcomes. TCS has also been recruiting graduates from the Top 10 B-Schools in the US for key business roles. A third party report published in 2017 named TCS as an industry-leading job creator in IT Services in the United States, and ranked #1 in US employee growth during that period.

b. Talent Diversity

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

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

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

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

c. Talent Development

Investment in human capital by equipping employees with skills – soft skills, design skills, multi-technology skills and domain skills – has been one of the biggest drivers of value creation at TCS. Over the last five decades, TCS has navigated every technology change by investing in organic talent development, in keeping with its core value of fostering a culture of lifelong learning. The sheer scale and rapidity of technology change in the Business 4.0 world called for a reimagined approach to reskilling, quickly, at scale, and catering to the millennial workforce's preference to pick up knowledge only when needed, only to the extent required, and through experimentation and social consultation.

TCS' response to this has been the Digital Learning Platform - an integrated ecosystem that combines virtual, physical and experiential learning infrastructure with high quality content, available any place, any time and on any device. There are virtual development environments where they can try out their learning, with a social connect so they can consult peers. Additionally, there is a focus on enhancing the learning experience through simulations, gamified learning and adaptive assessments. This globally available learning platform has removed geographic boundaries, giving TCS' reskilling program the benefit of both scale and speed.

Leadership training is another focus area for TCS, with different Leadership Development Programs tailored for entry level managers and for middle managers. The Company uses a number of senior leaders who are certified coaches to mentor and coach upcoming leaders. A special program designed for grooming mid-level women managers for leadership roles has started giving results.

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

d. Career Management

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

- **'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 used to groom and provide fast track career progression to high potentials.
- Structured coaching programs at senior leadership levels to help them realise their full potential.
- Leadership review and assessment profile of all leaders ensures the maintenance of a healthy succession pipeline.

e. Talent Engagement

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

- **Cara:** AI-based HR assistant which answers employee questions on HR policies
- **Milo:** Chatbot to facilitate the mentoring process
- **Knome, KnowMax, GEMS:** Platforms for social collaboration within the organization, learning, sharing and for reward and recognition
- **Safety First:** Initiative focused on employee safety and security.
- **Fit4life:** Builds a fraternity of health and fitness conscious employees and creates a culture of fitness
- **Purpose4life:** Forum for volunteering for community projects in the areas of Education, Health and Environment.
- **Maitree:** helps in improving employee bonding within the organisation and promoting work-life balance, thereby, increasing employee retention.
- **PULSE:** Our annual employee engagement and satisfaction survey is the organization's formal listening forum.

f. 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 labor laws. The Company approaches Compliance from both, reactive and proactive standpoints.

5.0 FY 2018 Financial Performance and Analysis

The discussions in this section relate to the consolidated, Rupee-denominated financial results pertaining to the year that ended March 31, 2018. The financial statements of Tata Consultancy Services Limited and its subsidiaries have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS"), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements 2 (a) to (r).

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

	FY 2018 (₹ crore)	% of Revenue	% Growth	FY 2017 (₹ crore)	% of Revenue
Revenue from operations	**123,104**	**100.0**	**4.4**	117,966	100.0
Earnings before interest, tax, depreciation and amortisation (EBITDA) (Before Other Income)	**32,516**	**26.4**	**0.6**	32,311	27.4
Profit Before Tax (PBT)	**34,092**	**27.7**	**(1.2)**	34,513	29.3
Profit for the year (PAT)	**25,880**	**21.0**	**(1.8)**	26,357	22.3
Earnings per share (in ₹)	**134.19**		**0.6**	133.41	

a. Analysis of revenue growth

Growth attributable to	FY 2018 (%)	FY 2017 (%)
Business growth	**6.7**	8.3
Impact of exchange rate	**(2.3)**	0.3
Total growth	**4.4**	8.6

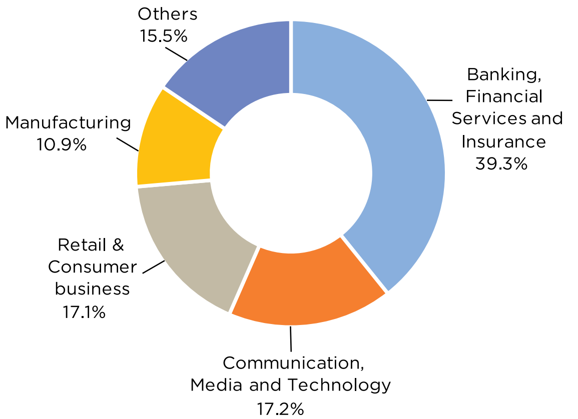
Movements in currency exchange rates through the year resulted in an impact of (2.3%) on the reported revenue. The constant currency revenue growth for the year, which is reported revenue growth stripped of the currency impact, was 6.7%.

Average currency rates during FY 2018 compared to those in FY 2017 are given below:

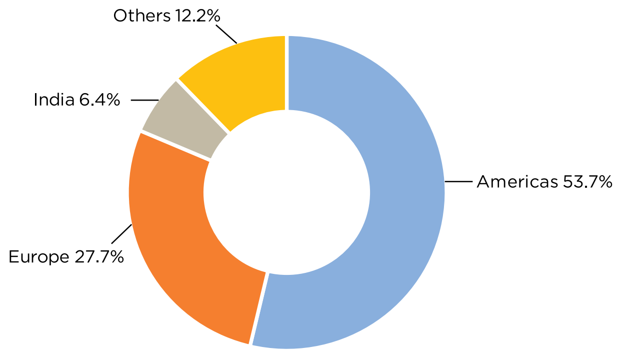
Currency	Weightage (%)	FY 2018	FY 2017	% Change YoY
USD	**54.6**	**64.49**	67.13	**(3.9)**
GBP	**12.4**	**86.05**	87.35	**(1.5)**
EUR	**9.4**	**76.16**	73.27	**3.9**
CAD	**3.2**	**50.36**	51.01	**(1.3)**
AUD	**4.0**	**49.96**	50.41	**(0.9)**
JPY	**2.5**	**0.58**	0.62	**(5.8)**

b. Segmental Performance

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



Revenue by Industry Practice

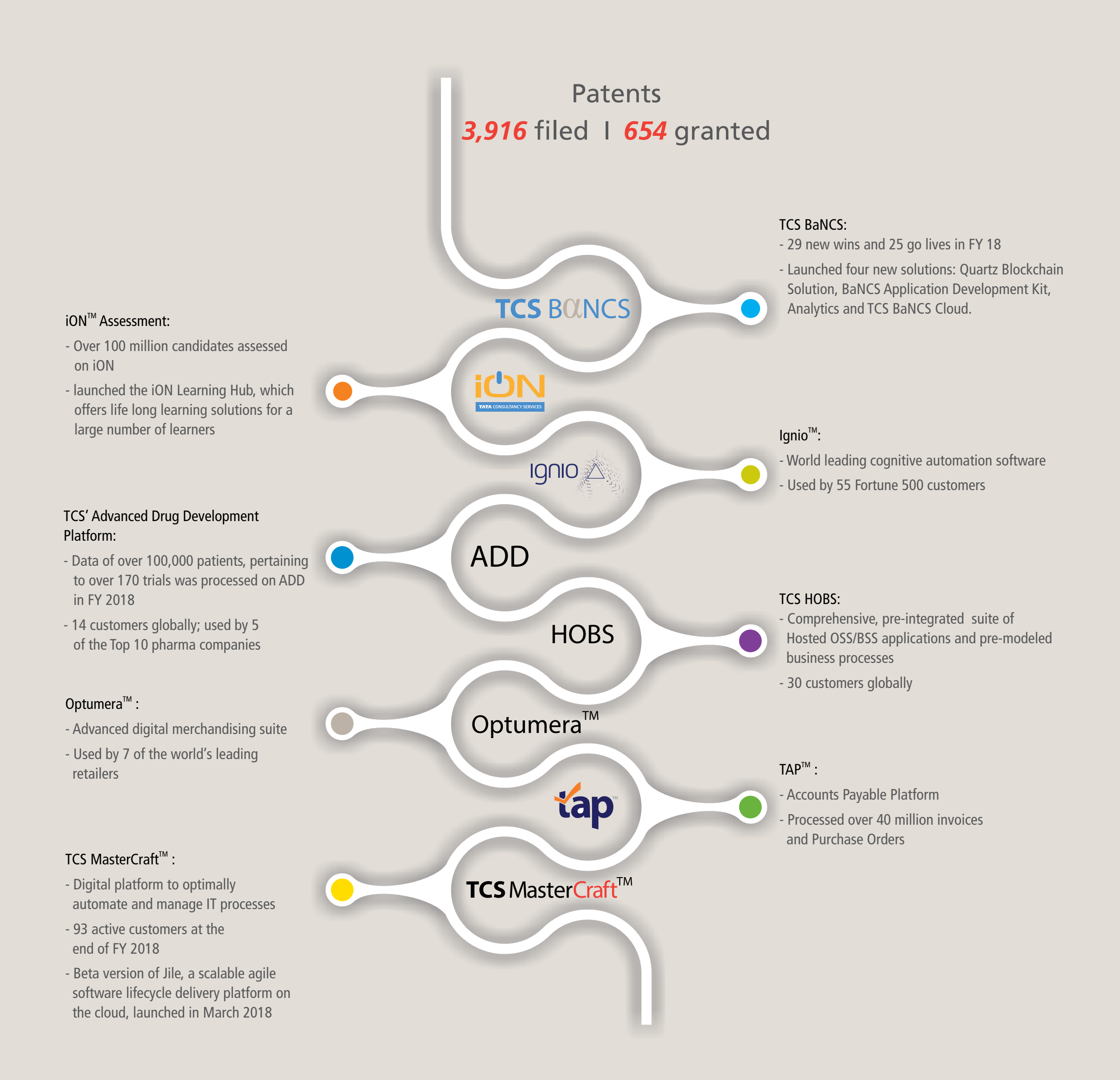


Revenue by Geography

Industry practice form the primary business segments for TCS. Segment revenues, year on year growth, a brief commentary and segment margins are provided below.

Industry Vertical	Segment Revenue FY 2018 (FY 2017) ₹ crore	YoY Revenue Growth	Commentary	Segment Margin % FY 2018 (FY 2017)
Banking, Financial Services and Insurance	48,418 (47,505)	1.9%	Back office rationalization using automation and cloud adoption was a trend across the BFSI industry. On the transformation side, key initiatives included automation, API-fication and advanced analytics. Holding back of spend by large banks in North America resulted in growth that was below the company average.	26.9% (27.6%)
Manufacturing	13,361 (12,486)	7.0%	Manufacturing companies were focused on reducing their cost of operations, and use the savings to fund new transformational initiatives using digital technologies. There was significant interest in cloud-related services and in the creation of a digital data core, as well as in implementing next generation enterprise solutions.	27.7% (28.6%)
Retail and Consumer Business	21,055 (20,459)	2.9%	The Retail and Consumer business segment underperformed the rest of the Company, mainly on account of reduced technology spending by a few major retailers in the US, even as other retailers continued to invest in their digital programs, particularly in the area of personalizing customer journeys across channels, pre-emptive pricing and merchandizing transformation.	26.5% (28.1%)
Communication, Media and Technology	21,131 (19,521)	8.2%	This business segment experienced the strongest growth within TCS' portfolio in FY 2018, driven by investments in customer experience transformation, analytics, operating model transformation, network transformation, and over the top services. Technology spends covered Digital transformation, adoption of Agile / DevOps, cloud migration, and automation.	27.4% (28.4%)
Others	19,139 (17,995)	6.4%	Growth in this segment continued to be driven by strong performance by the biggest components namely, Life Sciences & Healthcare and Energy, Resources & Utilities, both of which continued to grow in double digits, driven by spending on analytics, cloud adoption, automation, and cyber security.	22.7% (23.7%)

c. TCS Products and Platforms



6.0 Business Outlook

Global growth is projected to strengthen from 3.8 percent in 2017 to 3.9 percent in 2018 and 2019[3], with mixed trends in advanced markets, and a pickup in emerging and developing economies. Among advanced markets, US and Eurozone are expected to accelerate in 2018, while Japan, UK and Canada are expected to decelerate modestly. Industry analysts have forecasted a modest acceleration in IT services spending globally in 2018.

TCS expects customers to continue investing in digital as part of their Business 4.0 journeys. The broad theme of revamping the core is expected to result in bigger digital projects and more large transformational engagements. Solutions encompassing advanced analytics, Internet of Things, APIfication, Blockchain, drones and cybersecurity are expected to gain more traction. The focus on delivering superior customer experiences is expected to result in greater demand for digital marketing, design, human machine interaction and virtual / augmented reality. Additionally, there is expected to be greater adoption of Agile/DevOps. At the same time, cloud adoption, automation and simplification will continue to be key initiatives towards greater back office efficiency.

[3] World Economic Outlook, April 2018, International Monetary Fund

7.0 Risk Management and Compliance

Our global operations bring in considerable complexities and in response to that, we have established a robust enterprise risk and compliance management framework and process. This process is enabled by a digital platform that provides an enterprise-wide view of risks and compliance which enables us to take a more holistic approach towards informed decision making.

Our efforts in incorporating better practices were recognized at the India Risk Management Awards - 2018 held by ICICI-Lombard and CNBC TV18 , where TCS won two awards in two categories: 'Best Risk Management Framework & Systems – IT – ITES' and 'Best Risk Management Framework & Systems – Private Company.'

Listed below are our key risks with its anticipated impact on the company and mitigation plans.

Key Risks	Impact on the Company	Mitigation
Volatile global political and economic scenario	Corporate spending on technology has 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. Political disruptions or volatile economic conditions may adversely affect that outlook result in reduced spending which could restrict revenue growth opportunities.	• Broad-based, de-risked business mix, well diversified across geographies and industry verticals • Offerings and value propositions targeting all stakeholders in the customer organization, covering discretionary as well as non-discretionary spends, and relevant at every point in the business cycle • Target market segments which might provide counter-cyclical support
Growing protectionist trends and restrictions on global mobility	Distributed software development models require the free movement of people across countries and current rhetoric in many key markets poses a threat to the global mobility of skilled professionals. Enactment of legislations which restrict the availability of work visas or apply onerous eligibility crtieria or costs could lead to project delays, increased costs and margin pressures.	• TCS is monitoring the global environment closely and working with advisors, partners and governments • We have materially reduced our dependency on work visas through increased local hiring and focusing on local mobility and training across all major geographies of operation • Increased participation in academic partnerships and initiatives to attract local talent • Increased outreach to legislative / regulatory stakeholders, important trade bodies, think tanks and research institutes • Showcasing investments, employment generation and innovation capabilities to the appropriate audiences • Active engagement in Science, Technology, Engineering and Math (STEM) initiatives designed to structurally increase the availability of engineering talent in major markets

Key Risks	Impact on the Company	Mitigation
Business model changes	Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors. This is resulting in increased demands on the Company's agility to keep pace with the changing customer expectations. Failure to cope may result may result in loss of market share and impact business growth.	• Continued investments in Digital through large scale reskilling, external hiring, Intellectual Property (IP) development and successful leverage of deep contextual knowledge • Focus on Research and Innovation efforts leveraging in house expertise, alliance partnerships, and strong connections in the academic start-up ecosystem, and launching multiple new services • Strategic focus on business needs (tailored Experience, ecosystems, exponential models and embracing risk) and technology needs (Intelligence, Agile, Cloud, and Automation) • Strong customer-centricity which results in organization structures (and reorganizations) that are always aligned to customer needs
Litigation risks	Given the scale and geographic spread of the company's operations, litigation risks can arise from commercial disputes, perceived violation of intellectual property rights and employment related matters. Our rising profile and scale also makes us a target to litigations without any legal merit. This risk is inherent to doing business across the various countries and commensurate with risk faced by other players similarly placed in the industry. In addition to incurring legal costs and distracting management, litigations garner negative media attention and pose reputation risk. Adverse rulings can result in substantive damages.	• Internal processes and controls adequately ensure compliance with contractual obligations and the protection of intellectual property and also that potential disputes are promptly brought to the attention of management and dealt with appropriately • The company has a team of in-house counsels in all major geographies it operates in. It also has a network of highly reputed global law firms in countries it operates in • There is a robust mechanism to track and respond to notices as well as defend the Company's position in all claims and litigation
Currency volatility	Volatility in currency exchange movements results in transaction and translation exposure. TCS' functional currency is the Indian Rupee. Appreciation of the Rupee against any major currency could impact the reported revenue in Rupee terms, the profitability and also result in collection losses.	• TCS follows a currency hedging policy that is aligned with market best practices, to limit impact of exchange volatility on receivables and earnings • Hedging strategy is monitored by the Risk Management Committee on a regular basis
Breach of data privacy and protection / Non-compliance to GDPR	Privacy and protection of personal data is an area of increasing concern globally. Legislations like GDPR in Europe carry severe consequences for non-compliance or breach. Any violation or security breach, observed non-compliance or inadequacy of privacy policies and procedures can result in substantive liabilities, penalties and reputational impact.	• A global Privacy Policy is in place covering all applicable geographies and areas of operations • A new organisational unit has been set up to ensure compliance to various Data Privacy Regulations, including GDPR • Continued focus on employee related agreements with respect to Personally Identifiable Information (PII) and Sensitive Personal Data and Information (SPDI) • Data protection controls are a part of the engagement security management process • Robust risk response mechanisms are in place to cater to protection of sensitive data in the TCS ecosystem as well protection of such data in Client-managed networks in Offshore/ Global Delivery Centers

Key Risks	Impact on the Company	Mitigation
		• Sensitive and complex engagements leverage industry standard practice of data masking technologies to protect PII and SPDI • Combination of enterprise-wide online training, educational tools, social media and other awareness initiatives regarding data privacy and protection and GDPR to foster a culture of awareness and responsibility among its employees • Data Protection Impact Assessments of all applications / processes both within TCS enterprise systems and outside • Enhancement of vendor contracts • Formal Data Transfer Agreements for explicit agreements on data sharing • Embedding privacy by design in our systems to secure personal data
Cyber Attacks	Risks of cyber attacks are forever a threat on account of the fast evolving nature of the threat. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities	• Investments in automated prevention and detection solutions • Continued reinforcement of stringent security policies & procedures • Collaboration with Computer Emergency Response Team (CERT) and other private Cyber Intelligence agencies, and enhanced awareness of emerging cyber threats • Enterprise-wide training and awareness programs on Information Security • Periodic rigorous testing to validate effectiveness of controls through Vulnerability Assessment and Penetration Testing • Internal and external audits
Non-compliance to complex and changing global regulations	As a global organization, the company has to comply with laws across multiple jurisdictions, covering areas such as Employment & Immigration, Taxation, Foreign Exchange & Export Controls, Health Safety and Environment (HSE) regulations, Anti-Corruption laws, Data Privacy requirements etc. Failure to comply could result in penalties and reputational damage.	• A comprehensive global compliance management framework has been deployed across the Company • Global regulatory compliance certification is fully digitized and covers compliance across all the locations of the Company • To bring in further refinements in managing compliance, a transformation program to enable tracking of the changes to applicable regulations globally across various jurisdictions and functional areas, in a sustainable manner has been launched

Key Risks	Impact on the Company	Mitigation
Inadequate protection in case of Intellectual Property (IP) infringement	Risk of infringements of third-party IPs by TCS may lead to potential liabilities, increased litigation and impact reputation.	• Focus group on IP Management and Engineering • TCS IP-SAFE Program: This Program covers IP Safety, IP Protection and IP Enforcement of TCS IP, Customer IP, Partner IP, and all 3rd Party IP • Employee Engagement: Employee confidentiality agreement, training and awareness for IP protection. Stricter controls around movement of people across customer accounts as well as into product organization • IP Protection Process & Checks: Comprehensive IPR framework covering IPR policy and procedures for IP creation, Patent management, Contract management and IP audit process to provide assurance on IP Safe assets and Integrated IP compliance checks for TCS Products

8.0 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 Organizations (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.

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, 2018.

B S R & Co. 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 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, 2018, our internal financial controls were adequate and operating effectively.

TCS' PERFORMANCE TREND (CONSOLIDATED)

Amounts in ₹ crore	Ind AS			Indian GAAP							
	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15*	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
Revenues											
Total revenue	**123,104**	117,966	108,646	94,648	94,648	81,809	62,989	48,894	37,325	30,029	27,813
Revenue by geographic segments											
Americas	**66,145**	66,091	60,011	51,053	51,053	45,259	35,247	27,570	21,457	17,273	15,600
Europe	**34,155**	30,038	29,092	26,730	26,730	23,433	16,813	12,382	9,251	8,010	8,212
India	**7,921**	7,415	6,729	6,108	6,108	5,488	4,890	4,202	3,435	2,598	2,182
Others	**14,883**	14,422	12,814	10,757	10,757	7,629	6,039	4,740	3,182	2,148	1,819
Cost											
Employee cost	**66,396**	61,621	55,348	48,296	50,924	40,486	31,922	24,683	18,806	15,066	14,483
Other operating cost	**24,192**	24,034	22,621	19,242	19,242	16,170	13,027	9,776	7,341	6,268	6,160
Total cost (excluding interest & depreciation)	**90,588**	85,655	77,969	67,538	70,166	56,656	44,949	34,459	26,147	21,334	20,643
Profitability											
EBITDA (before other income)	**32,516**	32,311	30,677	27,110	24,482	25,153	18,040	14,435	11,178	8,695	7,170
Profit before tax	**34,092**	34,513	31,840	28,437	25,809	25,402	18,090	13,923	11,021	8,290	6,150
Profit after tax attributable to shareholders of the Company	**25,826**	26,289	24,270	21,912	19,852	19,164	13,917	10,413	9,068	7,001	5,256
Financial Position											
Equity share capital	**191**	197	197	196	196	196	196	196	196	196	98
Reserves and surplus	**84,937**	86,017	70,875	58,140	50,439	48,999	38,350	29,284	24,209	18,171	15,502
Gross block (property, plant and equipment including intangible assets)	**23,258**	21,391	19,917	17,316	17,316	13,897	11,623	9,448	7,792	6,420	5,844
Total investments	**36,008**	41,980	22,822	1,662	1,662	3,434	1,897	1,350	1,763	3,682	1,614
Net current assets	**63,396**	65,804	47,644	36,189	28,495	27,227	19,734	12,673	9,790	7,395	7,544
Earnings per share in ₹											
EPS - as reported	**134.19**	133.41	123.18	111.87	101.35	97.67	70.99	53.07	46.27	35.67	53.63
EPS - adjusted for Bonus Issue	**134.19**	133.41	123.18	111.87	101.35	97.67	70.99	53.07	46.27	35.67	26.81
Headcount (number)											
Headcount (including subsidiaries) as on March 31st	**394,998**	387,223	353,843	319,656	319,656	300,464	276,196	238,583	198,614	160,429	143,761

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

*Excluding the impact of one-time employee reward.

Overview of Funds Invested

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
	Current		Non-current		Total funds invested	
Investments in mutual funds, Government securities and others	**35,707**	41,636	**243**	203	**35,950**	41,839
Deposits with banks	**2,384**	896	**-**	-	**2,384**	896
Inter-corporate depoits	**2,825**	2,565	**1,972**	3	**4,797**	2,568
Cash and bank balances	**4,555**	3,131	**-**	-	**4,555**	3,131
Total	**45,471**	48,228	**2,215**	206	**47,686**	48,434

Total invested funds include ₹ 848 crores (March 31, 2017: ₹ 662 crores) for the year ended March 31, 2018 pertaining to trusts and TCS Foundation held for specified purposes.

RATIO ANALYSIS

		Ind AS			Indian GAAP							
	Units	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15*	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
Ratios - Financial Performance												
Employee Cost / Total Revenue	%	**53.9**	52.2	50.9	51.0	53.8	49.5	50.7	50.5	50.4	50.2	52.1
Other Operating Cost / Total Revenue	%	**19.7**	20.4	20.9	20.4	20.3	19.8	20.7	20.0	19.6	20.8	22.1
Total Cost / Total Revenue	%	**73.6**	72.6	71.8	71.4	74.1	69.3	71.4	70.5	70.0	71.0	74.2
EBITDA (Before Other Income) / Total Revenue	%	**26.4**	27.4	28.2	28.6	25.9	30.7	28.6	29.5	30.0	29.0	25.8
Profit Before Tax / Total Revenue	%	**27.7**	29.3	29.3	30.0	27.3	31.1	28.7	28.5	29.5	27.6	22.1
Tax / Total Revenue	%	**6.7**	6.9	6.9	7.2	6.6	7.4	6.4	7.0	4.9	4.0	3.0
Effective Tax Rate - Tax / PBT	%	**24.1**	23.6	23.6	23.5	23.7	23.9	22.2	24.4	16.6	14.4	13.6
Profit After Tax / Total Revenue	%	**21.0**	22.3	22.3	23.2	21.0	23.4	22.1	21.3	24.3	23.3	18.9
Ratios - Growth												
Total Revenue	%	**4.4**	8.6	14.8	15.7	15.7	29.9	28.8	31.0	24.3	8.0	23.0
EBITDA (Before Other Income)	%	**0.6**	5.3	25.3	7.8	(2.7)	39.4	25.0	29.1	28.6	21.3	25.5
Profit After Tax	%	**(1.8)**	8.3	22.3	14.3	3.6	37.7	33.6	14.8	29.5	33.2	4.6
Ratios - Balance Sheet												
Debt-Equity Ratio	Times	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Ratio	Times	**4.6**	5.5	4.1	3.9	2.4	2.7	2.7	2.2	2.4	1.9	2.3
Days Sales Outstanding (DSO) in ₹ terms	Days	**74**	70	81	79	79	81	82	86	80	71	79
Days Sales Outstanding (DSO) in $ terms	Days	**74**	73	80	78	78	82	82	81	82	74	74
Invested Funds / Total Assets	%	**53.9**	54.6	44.2	38.0	43.5	43.0	36.4	34.8	36.8	45.7	26.3
Capital Expenditure / Total Revenue	%	**1.5**	1.7	1.8	3.1	3.1	3.8	4.2	4.1	4.9	3.4	4.0
Operating Cash Flows / Total Revenue	%	**20.4**	21.4	17.6	20.5	20.5	18.0	18.4	14.3	17.7	24.7	19.5
Free Cash Flow / Operating Cash Flow Ratio	%	**92.8**	92.3	89.7	84.8	84.8	78.9	77.3	71.5	72.7	86.1	79.7
Depreciation / Average Gross Block	%	**9.0**	9.6	10.1	11.5	11.5	10.6	10.3	10.7	10.4	10.8	11.1
Ratios - Per Share												
EPS - adjusted for Bonus ₹	₹	**134.19**	133.41	123.18	111.87	101.35	97.67	70.99	53.07	46.27	35.67	26.81
Price Earning Ratio, end of year	Times	**21.2**	18.2	20.4	22.8	25.1	21.8	22.1	22.0	25.6	21.9	10.1
Dividend Per Share	₹	**50.00**	47.00	43.50	79.00	79.00	32.00	22.00	25.00	14.00	20.00	14.00
Dividend Per Share - adjusted for Bonus ₹	₹	**50.00**	47.00	43.50	79.00	79.00	32.00	22.00	25.00	14.00	20.00	7.00
Market Capitalisation / Total Revenue	Times	**4.4**	4.1	4.6	5.3	5.3	5.1	4.9	4.7	6.2	5.1	1.9

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

*Excluding the impact of one-time employee reward.

Corporate
Governance Report

I. Company's Philosophy on Corporate Governance

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

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

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

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

II. Board of Directors

i. As on March 31, 2018, the Company has ten Directors. Of the ten Directors, eight (i.e. 80%) are Non-Executive Directors out of which six (i.e. 60%) are Independent Directors. The profiles of the Directors can be found on (https://www.tcs.com/corporate-governance). The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

ii. None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2018 have been made by the Directors. None of the Directors are related to each other except Mr. N. Ganapathy Subramaniam and Mr. N. Chandrasekaran.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

iv. Six Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

April 18, 2017; June 16, 2017; July 13, 2017; October 12, 2017; January 11, 2018; and March 8 & 9, 2018.

The necessary quorum was present for all the meetings.

v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2018 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Category	Number of board meetings attended during the year 2017-18	Whether attended last AGM held on June 16, 2017	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
				Chairman	Member	Chairman	Member
Mr. N. Chandrasekaran (Chairman) DIN 00121863	Non-Independent, Non-Executive	6	Yes	6	-	-	-
Mr. Rajesh Gopinathan (Chief Executive Officer and Managing Director) DIN 06365813	Non-Independent, Executive	6	Yes	-	-	-	-
Mr. N. Ganapathy Subramaniam (Chief Operating Officer and Executive Director) DIN 07006215	Non-Independent, Executive	6	Yes	1	-	-	-
Mr. Aman Mehta DIN 00009364	Independent, Non-Executive	6	Yes	-	5	-	6
Mr. V. Thyagarajan DIN 00017541	Independent, Non-Executive	6	Yes	-	-	-	-
Prof. Clayton M. Christensen DIN 00020111	Independent, Non-Executive	2	No	-	-	-	-
Dr. Ron Sommer DIN 00621387	Independent, Non-Executive	6	Yes	-	-	-	-
Dr. Vijay Kelkar* DIN 00011991	Independent, Non-Executive	1	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Ishaat Hussain** DIN 00027891	Non-Independent, Non-Executive	3	Yes	N.A.	N.A.	N.A.	N.A.
Mr. O. P. Bhatt DIN 00548091	Independent, Non-Executive	6	Yes	-	3	2	2
Ms. Aarthi Subramanian*** DIN 07121802	Non-Independent, Non-Executive	6	Yes	-	2	1	-
Dr. Pradeep Kumar Khosla**** DIN 03611983	Independent, Non-Executive	1	N.A.	-	-	-	-

* Retired as Independent Director w.e.f. May 14, 2017, in accordance with the retirement age policy for Directors.

** Retired as Director w.e.f. September 3, 2017, in accordance with the retirement age policy for Directors.

*** Relinquished the office of Executive Director and appointed as an Additional Director in non-executive capacity w.e.f. August 17, 2017.

**** Appointed as an Additional and Independent Director w.e.f. January 11, 2018.

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

vi. During the year 2017-18, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

vii. During the year 2017-18, two meetings of the Independent Directors were held on October 12, 2017 and March 8, 2018. The Independent Directors, *inter-alia*, have reviewed the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole.

viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.

ix. Details of equity shares of the Company held by the Directors as on March 31, 2018 are given below:

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

The Company has not issued any convertible instruments.

III. Committees of the Board

i. There are ten Board Committees as on March 31, 2018, which comprise of five statutory committees and five other committees that have been formed considering the needs of the Company and best practices in Corporate Governance, details of which are as follows:

Name of the Committee	Extract of Terms of Reference	Category and Composition	Other details
Statutory Committees			
Audit Committee	Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. • Oversight of financial reporting process. • Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval. • Evaluation of internal financial controls and risk management systems. • Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. • Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.	**Name** – **Category** Mr. Aman Mehta (Chairman) – Independent, Non-Executive Mr. V. Thyagarajan – Independent, Non-Executive Dr. Ron Sommer – Independent, Non-Executive Dr. Vijay Kelkar* – Independent, Non-Executive Mr. Ishaat Hussain** – Non -Independent, Non-Executive Ms. Aarthi Subramanian*** – Non-Independent, Non-Executive Mr. O. P. Bhatt – Independent, Non-Executive * Retired as Independent Director and consequently ceased to be a member of this Committee w. e. f. May 14, 2017. ** Retired as Director and consequently ceased to be a member of this Committee w. e. f. September 3, 2017. *** Appointed as member of this Committee w. e. f. October 12, 2017.	• Four meetings of the Audit Committee were held during the year and the gap between two meetings did not exceed one hundred and twenty days. • Committee invites such of the executives particularly the head of the finance function, representatives of the statutory auditors and internal auditors, as it considers appropriate, to be present at its meetings. • The Company Secretary acts as the Secretary to the Audit Committee. • Mr. Rajendra Moholkar was appointed as Compliance Officer by the Board to take over from Mr. Suprakash Mukhopadhyay w. e. f. April 24, 2017 to ensure compliance and effective implementation of the Insider Trading Code. • The previous AGM of the Company was held on June 16, 2017 and was attended by Mr. Aman Mehta, Chairman of the Audit Committee.

Name of the Committee	Extract of Terms of Reference	Category and Composition	Other details
Nomination and Remuneration Committee	Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act. • Recommend to the Board its composition and the set up and composition of the committees. • Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel. • 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. • Recommend to the Board the Remuneration Policy for directors, executive team, Key Managerial Personnel, as well as the rest of employees. • 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. • Oversee familiarisation programmes for directors.	**Name** – **Category** Mr. Aman Mehta (Chairman) – Independent, Non-Executive Mr. N. Chandrasekaran – Non-Independent, Non-Executive Mr. V. Thyagarajan – Independent, Non-Executive Mr. Ishaat Hussain* – Non-Independent, Non-Executive * Retired as Director and consequently ceased to be a member of this Committee w. e. f. September 3, 2017.	• Three Nomination and Remuneration Committee meetings were held during the year. • The Company does not have any Employee Stock Option Scheme. • Details of Performance Evaluation Criteria and Remuneration Policy are provided in this report.
Stakeholders' Relationship Committee	Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. • Consider and resolve the grievances of security holders. • Consider and approve issue of share certificates, transfer and transmission of securities, etc.	**Name** – **Category** Mr. V. Thyagarajan (Chairman) – Independent, Non-Executive Mr. O. P. Bhatt – Independent, Non-Executive Mr. Rajesh Gopinathan – Non-Independent, Executive Mr. N. Ganapathy Subramaniam – Non-Independent, Executive	• One meeting of the Stakeholders' Relationship Committee was held during the year. • The Company has always valued its customer relationship. 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. • Details of investor complaints and the Compliance Officer are provided in this report.
Corporate Social Responsibility ("CSR") Committee	Committee is constituted in line with the provisions of Section 135 of the Act. • 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 mentioned in the CSR Policy. • Monitor the CSR Policy.	**Name** – **Category** Mr. N. Chandrasekaran (Chairman) – Non-Independent, Non-Executive Mr. O. P. Bhatt – Independent, Non-Executive Ms. Aarthi Subramanian – Non-Independent, Non-Executive Mr. Rajesh Gopinathan – Non-Independent, Executive	• One meeting of the CSR Committee was held during the year. • Four board meetings of TCS Foundation, a Section 8 company which was incorporated with sole objective of carrying on CSR activities of the Company, were held during the year.

<table>
<tr><th>Name of the Committee</th><th>Extract of Terms of Reference</th><th colspan="2">Category and Composition</th><th>Other details</th></tr>
<tr><td rowspan="8">Risk Management Committee</td><td rowspan="8">Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.
• Frame, implement and monitor the risk management plan for the Company.</td><td>Name</td><td>Category</td><td rowspan="8">• Four meetings of the Risk Management Committee were held during the year.</td></tr>
<tr><td>Mr. Ishaat Hussain*</td><td>Non-Independent, Non-Executive</td></tr>
<tr><td>Mr. N. Chandrasekaran**</td><td>Non-Independent, Non-Executive</td></tr>
<tr><td>Mr. O. P. Bhatt</td><td>Independent, Non-Executive</td></tr>
<tr><td>Ms. Aarthi Subramanian</td><td>Non-Independent, Non -Executive</td></tr>
<tr><td>Mr. Rajesh Gopinathan</td><td>Non-Independent, Executive</td></tr>
<tr><td>Mr. Ramakrishnan V.***</td><td>Chief Financial Officer</td></tr>
<tr><td colspan="2">* Retired as Director and consequently ceased to be a member of this Committee w. e. f. September 3, 2017
** Ceased to be member of this Committee w. e. f. July 13, 2017
*** Appointed as a member of this Committee w. e. f. July 13, 2017</td></tr>
<tr><td colspan="5">Other Committees</td></tr>
<tr><td rowspan="5">Ethics and Compliance Committee</td><td rowspan="5">• Consider matters relating to the Company's Code of Conduct (CoC).
• Monitoring of Anti Bribery and Anti-Corruption Policy and Gifts Policy</td><td>Name</td><td>Category</td><td rowspan="5">• One meeting of the Ethics and Compliance Committee was held during the year.
• Monthly reports are sent to the members of the Ethics and Compliance Committee on matters relating to the CoC</td></tr>
<tr><td>Mr. V. Thyagarajan (Chairman)</td><td>Independent, Non-Executive</td></tr>
<tr><td>Mr. O. P. Bhatt</td><td>Independent, Non-Executive</td></tr>
<tr><td>Ms. Aarthi Subramanian</td><td>Non-Independent, Non-Executive</td></tr>
<tr><td>Mr. Rajesh Gopinathan</td><td>Non-Independent, Executive</td></tr>
<tr><td rowspan="5">Health, Safety and Sustainability Committee</td><td rowspan="5">• Framing and implementation of broad guidelines/policies with regard to the health, safety and sustainability activities.</td><td>Name</td><td>Category</td><td rowspan="5">• One meeting of the Health, Safety and Sustainability Committee was held during the year.</td></tr>
<tr><td>Dr. Vijay Kelkar* (Chairman)</td><td>Independent, Non-Executive</td></tr>
<tr><td>Dr. Ron Sommer</td><td>Independent, Non-Executive</td></tr>
<tr><td>Mr. N. Ganapathy Subramaniam</td><td>Non-Independent, Executive</td></tr>
<tr><td colspan="2">* Retired as Independent Director and consequently ceased to be a member of this Committee w.e.f. May 14, 2017.</td></tr>
<tr><td rowspan="5">Executive Committee</td><td rowspan="5">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.</td><td>Name</td><td>Category</td><td rowspan="5">• The said matters were discussed in various board meetings held during the year in the presence of the Executive Committee Members with the intent to avail expertise of all Board members.</td></tr>
<tr><td>Mr. N. Chandrasekaran (Chairman)</td><td>Non-Independent, Non-Executive</td></tr>
<tr><td>Dr. Ron Sommer</td><td>Independent, Non-Executive</td></tr>
<tr><td>Prof. Clayton M. Christensen</td><td>Independent, Non-Executive</td></tr>
<tr><td>Mr. Rajesh Gopinathan</td><td>Non-Independent, Executive</td></tr>
</table>

Name of the Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	**Category**	
Software Technology Parks of India (STPI) / Special Economic Zone (SEZ) Committee	• Registration/renewal of registration/ de-registration of various offices of the Company under the STPI/ SEZ schemes and such other schemes as may be deemed fit and to also approve of STPI/SEZ/other scheme(s) related matters.	Mr. V. Thyagarajan	Independent, Non-Executive	• The matters relating to the business of the committee were passed by circulation.
		Mr. N. Ganapathy Subramaniam	Non-Independent, Executive	
		Name	**Category**	
Bank Account Committee	• Responsible for approval of the opening and closing of bank accounts of the Company.	Mr. Aman Mehta	Independent, Non-Executive	• The matters relating to the business of the committee were passed by circulation.
	• Authorise persons to operate the bank accounts of the Company.	Mr. Rajesh Gopinathan	Non-Independent, Executive	
The terms of reference of these committees are available on the website (https://www.tcs.com/corporate-governance)				

ii. Stakeholders' Relationship Committee - other details

a. Name, designation and address of Compliance Officer:

Mr. Rajendra Moholkar
Company Secretary
Tata Consultancy Services Limited
9th Floor, Nirmal Building
Nariman Point, Mumbai 400 021
Telephone: 91 22 6778 9595

b. Details of investor complaints received and redressed during the year 2017-18 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
1	145	146	0

iii. Nomination and Remuneration Committee - other details

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

Remuneration Policy:

Remuneration policy of 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 2017-18, the Company paid sitting fees of ₹ 30,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Members have at the AGM of the Company held on June 27, 2014, approved 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 Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

iv. Details of the Remuneration for the year ended March 31, 2018:

a. Non-Executive Directors:

(₹ lakhs)

Name	Commission	Sitting Fees
Mr. N. Chandrasekaran Chairman	-	3.00
Mr. Aman Mehta	300.00	4.50
Mr. V. Thyagarajan	200.00	5.10
Prof. Clayton M. Christensen	150.00	0.60
Dr. Ron Sommer	210.00	3.90
Dr. Vijay Kelkar*	50.00	0.60
Mr. Ishaat Hussain**	130.00	2.40
Mr. O. P. Bhatt	200.00	5.70
Ms. Aarthi Subramanian***	-	2.40
Dr. Pradeep Kumar Khosla****	25.00	0.60

* Retired as Independent Director w.e.f. May 14, 2017, in accordance with the retirement age policy for Directors.

** Retired as Director w.e.f. September 3, 2017, in accordance with the retirement age policy for Directors.

*** Relinquished the office of Executive Director and appointed as an Additional Director in non-executive capacity w.e.f. August 17, 2017.

**** Appointed as an Additional and Independent Director w.e.f. January 11, 2018.

b. Managing Director and Executive Director

(₹ lakhs)

Name of Director	Salary	Benefits, Perquisites and Allowances	Commission	ESPS
Mr. Rajesh Gopinathan Chief Executive Officer and Managing Director (w.e.f. February 21, 2017 for a period of 5 years)	102.30	146.90	1000.00	Nil
Mr. N. Ganapathy Subramaniam Chief Operating Officer and Executive Director (w.e.f. February 21, 2017 for a period of 5 years)	95.58	134.19	700.00	Nil
Ms. Aarthi Subramanian Executive Director (upto August 17, 2017)	35.92	45.75	150.00	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.

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

v. **Number of meetings held and attendance records**

Name of the Committee →	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	Ethics and Compliance Committee	Health, Safety and Sustain-ability Committee
No. of meetings and dates on which meetings were held →	4 meetings held on April 18, 2017; July 13, 2017; October 12, 2017 and January 11, 2018	3 meetings held on April 18, 2017; October 11, 2017 and January 11, 2018	1 meeting held on October 11, 2017	1 meeting held on March 20, 2018@	4 meetings held on June 16, 2017; August 09, 2017; October 11, 2017 and December 20, 2017	1 meeting held on October 11, 2017	1 meeting held on January 11, 2018
No. of Meetings Attended							
Name of Member							
Mr. N. Chandrasekaran*	-	3	-	1	-	-	-
Mr. Rajesh Gopinathan	-	-	1	1	4	1	-
Mr. N. Ganapathy Subramaniam	-	-	1	-	-	-	1
Mr. Aman Mehta	4	3	-	-	-	-	-
Mr. V. Thyagarajan	4	3	1	-	-	1	-
Prof. Clayton M. Christensen$	-	-	-	-	-	-	-
Dr. Ron Sommer	4	-	-	-	-	-	1
Dr. Vijay Kelkar**	1	-	-	-	-	-	-
Mr. Ishaat Hussain***	2	1	-	-	2	-	-
Mr. O. P. Bhatt	4	-	1	1	4	1	-
Ms. Aarthi Subramanian****	1	-	-	1	4	1	-
Dr. Pradeep Kumar Khosla$	-	-	-	-	-	-	-
Mr. Ramakrishnan V.#	-	-	-	-	3	-	-
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings						

* Ceased to be a member of the Risk Management Committee w.e.f. July 13, 2017.

** Retired as Independent Director and consequently ceased to be a member of the Audit Committee and Health, Safety and Sustainability Committee w.e.f. May 14, 2017.

*** Retired as a Director and consequently ceased to be a member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. September 3, 2017.

**** Appointed as a member of the Audit Committee w.e.f. October 12, 2017.

\# Appointed as a member of the Risk Management Committee w.e.f. July 13, 2017.

$ Do not hold membership of any of the above committees.

@ Four board meetings of TCS Foundation, a Section 8 company which was incorporated with sole objective of carrying on Corporate Social Responsibility activities of the Company were held during the year.

IV. General Body Meetings

i. General Meeting

a. Annual General Meeting ("AGM"):

Financial Year	Date	Time	Venue
2014-15	June 30 , 2015	3.30 p.m.	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg New Marine Lines, Mumbai 400 020
2015-16	June 17, 2016		
2016-17	June 16, 2017		

b. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during the financial year 2017-18.

c. Special Resolution(s):

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

ii. Details of special resolution passed through postal ballot:

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

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

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

V. Other Disclosures

Particulars	Legal requirement	Details	Website link for details/policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.	https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS_Related_Party_Transactions_Policy.pdf
Details of Non - Compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V(C) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three financial years 2015-16, 2016-17 and 2017-18.	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Global-Policy-Whistle-Blower-Ver-5.pdf

Particulars	Legal requirement	Details	Website link for details/policy
Discretionary requirements	Schedule II Part E to SEBI Listing Regulations	• 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, 2017, was sent to every member in November 2017. • The auditors' report on financial statements of the Company are unqualified. • The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer. • Ernst & Young LLP, the internal auditors of the Company, make quarterly presentations to the Audit Committee on their reports.	
Subsidiary Companies	Regulation 24 of SEBI Listing Regulations	The Audit Committee reviews the quarterly 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 unlisted Indian subsidiary company. The Company has a policy for determining material subsidiaries which is disclosed on its website.	https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS_Material_Subsidiary_Policy.pdf
Policy on determination of materiality for disclosures	Regulation 23 of SEBI Listing Regulations	The Company has adopted a policy on determination of materiality for disclosures.	https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Policy-Determination-of-Materiality-for-Disclosure.pdf
Policy on archival and preservation of documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a policy on archival and preservation of documents.	https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Policy-Archival-of-Documents.pdf
Reconciliation of Share Capital Audit Report	Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 and SEBI Circular No D&CC / FITTC/ Cir- 16/ 2002 dated December 31, 2002	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.	https://www.tcs.com/corporate-governance
Code of Conduct	Regulation 17 of SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2018. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.	https://www.tcs.com/tata-code-of-conduct

Particulars	Legal requirement	Details	Website link for details/policy
Dividend Distribution Policy	Regulation 43A of SEBI Listing Regulations	A regular annual dividend consists of three interim dividends after each of the first three quarters of the fiscal year, topped up with a final dividend after the fourth quarter. In addition, every second or third year, the accumulated surplus cash has been returned to shareholders through a special dividend.	https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Dividend-Distribution-Policy.pdf
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment of Independent Directors are available on the Company's website.	https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/Letter_of_appointment_to_Independent_Directors_TCS.pdf
Familiarisation Programme for Independent Directors	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarisation programme imparted to Independent Directors are available on the Company's website.	https://www.tcs.com/content/dam/tcs/pdf/discover-tcs/investor-relations/faq/TCS-Familiarization-Program-for-Independent-Directors-v2.pdf

VI. Means of Communication

The quarterly, half-yearly and annual financial 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. Statutory notices are published in The Free Press Journal and Navshakti. The Company also issues press releases from time to time. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited and BSE Limited as well as uploaded on the Company's website. Frequently Asked Questions (FAQs) about the Company of investors' interest are also uploaded on the Company's website under 'Investor FAQs' section. A Management Discussion and Analysis Report is a part of this Annual Report.

VII. General shareholder information

i. Annual General Meeting for FY 2017-18

Date	:	June 15, 2018
Time	:	3.30 p.m.
Venue	:	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

ii. Financial Calendar

Year ending	:	March 31
AGM in	:	June
Dividend Payment	:	The final dividend, if declared, shall be paid/credited on June 19, 2018

iii. Date of Book Closure / Record Date : As mentioned in the Notice of this AGM

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

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

v. **Stock Codes/Symbol**

NSE : TCS

BSE : 532540

Listing Fees as applicable have been paid.

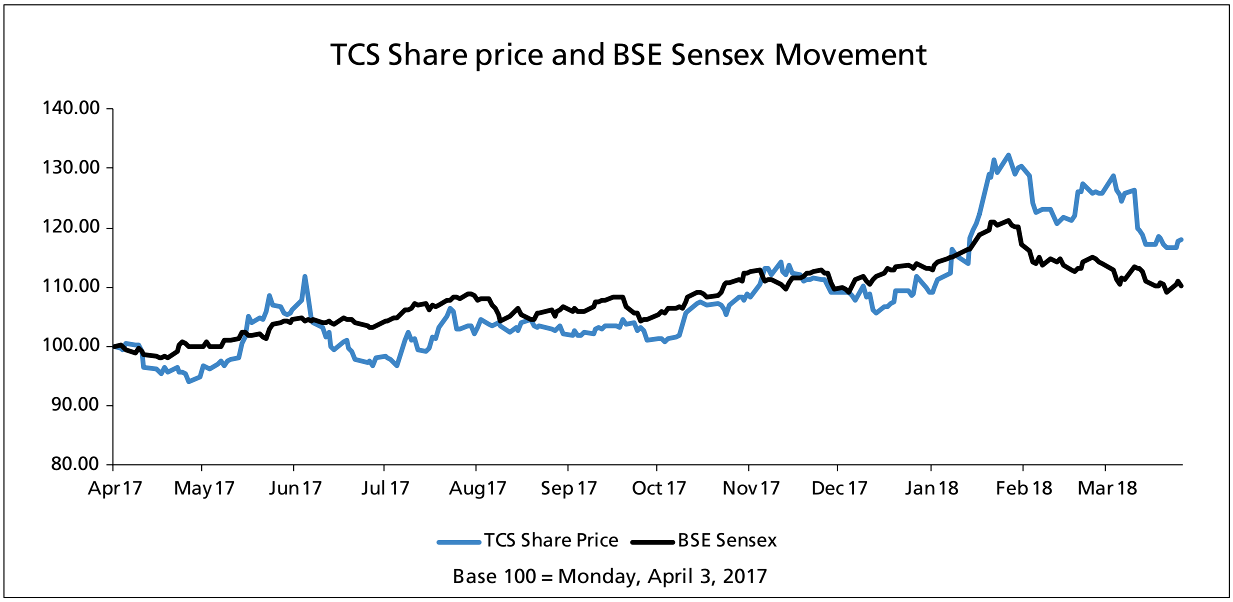
vi. **Corporate Identity Number (CIN) of the Company:** L22210MH1995PLC084781

vii. **Market Price Data:**

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2017-18 on NSE and BSE:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares Traded
Apr-2017	2,429.05	2,273.15	2,17,30,202	2,427.10	2,272.10	12,78,563
May-2017	2,624.60	2,289.90	2,57,72,410	2,619.95	2,291.95	32,92,804
Jun-2017	2,696.00	2,333.25	2,55,95,858	2,695.40	2,334.65	23,26,625
Jul-2017	2,571.50	2,331.95	2,29,10,526	2,570.65	2,332.20	18,38,875
Aug-2017	2,528.80	2,469.40	1,63,09,506	2,522.75	2,467.35	12,44,780
Sep-2017	2,524.90	2,435.95	1,67,90,172	2,525.85	2,437.00	11,61,151
Oct-2017	2,624.00	2,429.60	1,78,16,600	2,616.30	2,430.15	13,54,562
Nov-2017	2,758.95	2,602.85	1,98,14,100	2,758.90	2,602.50	7,94,965
Dec-2017	2,701.20	2,545.60	2,01,50,360	2,700.40	2,547.85	8,12,149
Jan-2018	3,198.85	2,631.20	2,90,45,585	3,195.10	2,633.75	21,71,549
Feb-2018	3,153.65	2,911.80	2,31,36,808	3,149.15	2,910.45	49,53,941
Mar-2018	3,105.85	2,817.00	7,26,62,948	3,140.30	2,813.05	38,08,377

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



ix. Registrars and Transfer Agents

Name and Address	:	TSR DARASHAW Limited (“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

x. Places for acceptance of documents : Documents will be accepted at the above address between 10.00 a.m. to 3.30 p.m. (Monday to Friday except bank holidays).

For the convenience of the shareholders, documents will also be accepted at the following branches/agencies of TSRDL:

a. Branches of TSRDL:

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

b. Agent of TSRDL:

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

xi. Share Transfer System:

Transfer of equity shares in electronic form are done through the depositories with no involvement of the Company. Transfer of equity shares in physical form are processed by TSRDL within 10 to 12 working days from the date of receipt, if the documents are complete in all respects. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

xii. Shareholding as on March 31, 2018:

a. Distribution of equity shareholding as on March 31, 2018:

Number of shares	Holding	Percentage to capital (%)	Number of accounts	Percentage to total accounts (%)
1 - 100	1,64,75,896	0.86	4,78,452	83.77
101 - 500	1,63,02,104	0.85	75,919	13.29
501 - 1000	64,82,946	0.34	9,136	1.60
1001 - 5000	1,10,78,155	0.58	5,583	0.98
5001 - 10000	39,87,394	0.21	567	0.10
10001 - 20000	47,91,508	0.25	334	0.06
20001 - 30000	40,81,382	0.21	166	0.03
30001 - 40000	37,00,434	0.19	107	0.02
40001- 50000	38,43,634	0.20	86	0.02
50001 -100000	1,65,76,643	0.87	232	0.04
100001 - above	1,82,69,67,495	95.44	569	0.09
GRAND TOTAL	**1,91,42,87,591**	**100.00**	**5,71,151**	**100.00**

b. Categories of equity shareholding as on March 31, 2018:

Category	Number of equity shares held	Percentage of holding (%)
Promoters	1,37,61,18,911	71.89
Other Entities of the Promoter Group	5,54,907	0.03
Mutual Fund and UTI	4,11,98,799	2.15
Banks, Financial Institutions, State and Central Government	14,36,211	0.08
Insurance Companies	9,01,63,887	4.71
Foreign Institutional Investors and Foreign Portfolio Investor - Corporate	32,31,15,895	16.88
NRIs/OCBs/Foreign Nationals	21,80,034	0.11
Corporate Bodies/Trust	1,22,95,656	0.64
Indian Public and Others	6,62,89,580	3.46
Alternate Investment Fund	8,25,661	0.04
IEPF Account	1,08,050	0.01
GRAND TOTAL	**1,91,42,87,591**	**100.00**

c. Top ten equity shareholders of the Company as on March 31, 2018:

Sr. No.	Name of the shareholder*	Number of equity shares held	Percentage of holding
1	Tata Sons Limited	1,37,61,18,911	71.89
2	Life Insurance Corporation of India	7,53,84,947	3.94
3	First State Investments Icvc- Stewart Investors Asia Pacific Leaders Fund	1,50,54,489	0.79
4	Lazard Emerging Markets Equity Portfolio	98,19,005	0.51
5	Oppenheimer Developing Markets Fund	79,96,009	0.42
6	HDFC Trustee Company Limited	76,45,593	0.40
7	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	75,95,080	0.40
8	SBI Mutual Fund	70,56,720	0.37
9	Government of Singapore	64,97,754	0.34
10	Abu Dhabi Investment Authority	62,96,384	0.33

* Shareholding is consolidated based on permanent account number (PAN) of the Shareholder.

xiii. Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.96% of the Company's equity share capital are dematerialised as on March 31, 2018. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE467B01029.

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2018, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

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

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

xvi. Equity shares in the suspense account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in suspense account are as follows:

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, 2017	195	7,446
Shareholders who approached the Company for transfer of shares from suspense account during the year	1	68
Shareholders to whom shares were transferred from the suspense account during the year	1	68
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	168	6,558
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	26	820

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

xvii. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, *vide* its Notification dated October 13, 2017 read with the circular dated October 16, 2017, wherein it was provided that where the period of 7 consecutive years, as above, was completed or being completed during the period from September 7, 2016 to October 31, 2017, the due date of transfer for such shares was October 31, 2017.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website (https://www.tcs.com/details-unclaimed-dividend-transfer-IEPF-account-2017).

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company, erstwhile TCS e-Serve Limited and CMC Limited (since amalgamated with the Company). Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during the year 2017-18 are as follows:

Financial year	Amount of unclaimed dividend transferred (₹ lakh)	Number of shares transferred
2009-10	110	99,519
2010-11	45	8,531
TOTAL	**155**	**1,08,050**

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Share Transfer Agent:

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

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2010-11	July 01, 2011	July 31, 2018
2011-12	July 14, 2011	August 15, 2018
	October 17, 2011	November 16, 2018
	January 17, 2012	February 16, 2019
	June 29, 2012	July 29, 2019

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2012-13	July 12, 2012	August 12, 2019
	October 19, 2012	November 18, 2019
	January 14, 2013	February 13, 2020
	June 28, 2013	July 28, 2020
2013-14	July 18, 2013	August 18, 2020
	October 15, 2013	November 14, 2020
	January 16, 2014	February 16, 2021
	June 27, 2014	July 27, 2021
2014-15	July 17, 2014	August 18, 2021
	October 16, 2014	November 16, 2021
	January 15, 2015	February 15, 2022
	June 30, 2015	July 30, 2022
2015-16	July 9, 2015	August 9, 2022
	October 13, 2015	November 12, 2022
	January 12, 2016	February 11, 2023
	June 17, 2016	July 17, 2023
2016-17	July 14, 2016	August 15, 2023
	October 13, 2016	November 16, 2023
	January 12, 2017	February 12, 2024
	June 16, 2017	July 16, 2024
2017-18	July 13, 2017	August 13, 2024
	October 12, 2017	November 12, 2024
	January 11, 2018	February 10, 2025

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

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2010-11	August 12, 2011	September 15, 2018
2011-12	July 10, 2012	August 14, 2019
2012-13	May 30, 2013	July 03, 2020

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

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2010-11	June 27, 2011	July 26, 2018
2011-12	June 27, 2012	July 26, 2019
2012-13	June 26, 2013	July 25, 2020
2013-14	June 23, 2014	July 22, 2021
2014-15	June 11, 2015	July 10, 2022
2015-16	July 16, 2015	August 18, 2022

xviii. 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 403 526.

xix. Address for correspondence:

Tata Consultancy Services Limited
9th Floor, Nirmal Building
Nariman Point, Mumbai 400 021
Telephone: 91 22 6778 9595
E-mail: 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 including the code for 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, 2018, received from the members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel means the Chief Financial Officer, Global Head-HR, Global Business Unit Heads, Global Head - Legal and Company Secretary as on March 31, 2018.

Rajesh Gopinathan
Chief Executive Officer and Managing Director
Mumbai, April 19, 2018

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Tata Consultancy Services Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 19 September, 2017.
2. This report contains details of compliance of conditions of Corporate Governance by Tata Consultancy Services Limited ('the Company') for the year ended 31 March 2018, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to 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.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai
19 April 2018

TCS has had a tradition of enabling social good, through structured Corporate Social Responsibility (CSR) programs and volunteering. Through such programs, TCS enables individuals and communities to take charge of their own lives and improve their standard of living, as embodied by the guiding principle: **"Impact through Empowerment".**

At TCS, the key impact areas for CSR are education and skilling, health and wellness and environment. TCS is also involved in the preservation of heritage structures. To run CSR programs, TCS partners with TATA Trusts, clients, NGOs, and various not-for-profit organizations. These collaborations help us serve marginalized communities better. The multiple CSR initiatives of TCS, have touched 917,325 lives in FY 2018, globally.

TCS Maitree is an employee engagement forum that provides associates an opportunity to express their creativity. Through its many interventions, Maitree helps TCS associates and their families reach out to underprivileged communities at office locations worldwide. Volunteers bring in with them valuable expertise and a spirit of generosity, and collectively contributed 571,998 volunteering hours in FY 2018. The vehicle for this change is Purpose for Life (P4L), a collaborative TCS volunteering platform.

Education and Skilling

The choice of education as a theme flows from TCS' presence in the knowledge domain. The standard of education is a key factor that plays into both growth and sustainability. It is an integral component of development, and is critical to a community's ability to compete in a rapidly-changing technology landscape. This covers the entire life path of students from school to Ph.D. as also skilling and adult literacy that enables livelihood. These contributions through TCS' varied education programs in India, impacted 440,000 beneficiaries in FY 2018.

This is a story about 14 formidable women. Members of Iswar Sankalpa, an NGO that works to uplift differently abled women, they have scripted a brand new life story for themselves using TCS' Computer-based Functional Literacy (CBFL) solution. 69 differently abled women from Iswar Sankalpa have used CBFL to learn the basics of reading, writing, and arithmetic. By August 2017, 14 of these women were able to successfully clear the OBE Level A exam conducted by the National Institute of Open Schooling.

With this ethos in mind, TCS launched the **Adult Literacy Program** (ALP) in year 2000. It uses the CBFL solution to augment and accelerate the Indian government's efforts to achieve functional literacy across the country. CBFL software is available in nine Indian and three foreign languages.

ALP enables adult learners to achieve functional literacy (reading, writing and arithmetic) in their respective native languages in approximately 50 to 55 learning hours. TCS has partnered with government and jail authorities, NGOs, group companies and other corporates for the successful implementation of the program. In FY 2018, ALP reached 173,876 learners, with a total reach of 561,884 beneficiaries since its inception.

The Adult Literacy Program delivers basic lessons in reading, writing and arithmetic through TCS' CBFL solution

Often, there are societal barriers that crop up even before people can take a step towards continued learning. TCS' **BridgeIT** program uses digital tools to address such access and competency gaps between marginalized communities and mainstream society. Launched in February 2014, the program uses Information Technology (IT) as a key enabler for school education, adult literacy and entrepreneurship in villages across central and east India.

The youngest in a family of seven, 23-year-old DCA graduate and BridgeIT entrepreneur Amuk Raj serves as an inspiration to unemployed and under-employed youth in his village of Bharatpur in Jhansi district, Uttar Pradesh. With the money he earns through his business, Amuk is able to contribute towards half of his family's household expenses. His biggest breakthrough? Convincing the people in his village to set aside caste-based differences and make best use of the digital services he offers.

Bridge IT entrepreneur serves as an inspiration to the youth in Bharatpur, Jhansi District

So far, 136 youth from socially and economically disadvantaged communities across six Indian states have been trained to be digital entrepreneurs through this program. TCS supports the digital entrepreneurs for an initial period of two years to make them self- sufficient and sustainable.

But merely bringing people up to speed with their more privileged peers will not help improve the employment rate. For that, the employability skill gap would need to be addressed first. At this end of the spectrum, TCS introduced the **IT and BPS employability program**, which seeks to enhance the employability of undergraduate students from rural engineering and science colleges by training them in business skills, general aptitude, and technical skills.

The IT and BPS employability program seeks to enhance the employability of undergraduate students from rural colleges

To enhance skills of its contract staff, TCS runs the Empower program to provide them with functional spoken English, basic computers and soft skills training. TCS volunteers conduct sessions within office premises for 25 hours, spread across five weeks.

TCS runs a program for teachers as well, aiming to assist them with soft skills training in communication, presentation, empathy, ethics, organizational behaviour, time management, and stress management. Teachers have participated in the Teacher Empowerment Program at Trivandrum, Chennai, Coimbatore, Tirunelveli, Salem, Nagercoil, Kochi, Hyderabad, Hosur, Bangalore and Kolkata, since 2012.

While TCS provides people greater social mobility and accessibility through these skilling and education programs, a section of the population struggles to access the very infrastructure used to impart these lessons. For instance, visually impaired persons have an additional barrier to contend with when it comes to accessing technology based jobs. To address this gap and enhance employment opportunities, TCS Maitree set up the **Advanced Computer Training Centre (ACTC)** in 2008. This initiative, while improving the prospects of India's visually impaired workforce, also aims to change the perspectives of employers regarding their potential and versatility.

ACTC familiarizes visually impaired persons with both computer hardware and software to enhance their employability

TCS volunteers have been proactive in both leading and launching initiatives. A case in point is the group **Women of Waze (WoW)**, which is based in the Wazapur village of Raigad district, Maharashtra. Launched in 2007, with the long-term objective of making women in Wazapur financially independent, WoW trains them to make bags in different styles and designs using jute, cotton, and other materials. They are also trained in making stoles with shibori design and other home accessories. TCS' CSR is focusing on developing their entrepreneurial skills in order to empower them further and make them completely self-sustainable entrepreneurs.

In step with the TATA group tradition, TCS has been involved in strengthening the academic community around the world through its **Academic Interface Program (AIP)**. This program aims to bridge the gap between campuses and corporates through various initiatives namely organizing workshops for students, faculty development programs for teachers and creating internship opportunities for students.

TCS, through its **Research Scholar Program**, has since inception of the program, supported 324 scholars, pursuing full time PhD in computing sciences, in India. Scholars have an opportunity to interact with TCS researchers and receive mentoring. 60 research scholars have achieved their Ph.D. till date.

To promote 21st century thinking among students and encourage them to take on **STEM** (Science, Technology, Engineering and Mathematics) subjects, TCS has also been running a series of student engagement programs across the world. TCS has reached over 354,000 students through STEM initiatives across geographies.

In the United States, TCS partnered with Discovery Education in 2017, to launch **Ignite My Future in School**, which seeks to prepare more than 1 million students for 21st century careers. This initiative seeks to transform the US education system by embedding computational thinking and problem solving into core school subjects such as Mathematics, English, Social Studies and the Arts. The program provides teachers with digital tools, instructional resources, and in-market support they need to guide today's youth.

TCS seeks to transform the education system by embedding computational thinking in core school subjects

goIT, TCS' flagship community engagement program increases interest in STEM and computer science through design thinking, mobile app development, and mentorship by TCS employee volunteers. Primarily focused towards middle school students under-represented in computing fields, goIT offers a free and flexible program for schools, non-profits, and other youth-serving institutions to help students engage actively in computational thinking.

In Brazil, TCS partnered with the Sao Paulo municipal government through the goIT program, to contribute to the training of students and teachers in public schools, as well as give underprivileged families access to the technology market and encourage young students to pursue IT careers.

In Europe, goIT continues to scale up in schools across Finland, Germany, Italy, Norway, and Sweden, with the program tailored as per local requirements in each region.

In the United Kingdom and Ireland, TCS runs an initiative called **IT Futures**, which aims to inspire a generation of young people to develop an interest in technology. It engages secondary school to university students in information and communication technology (ICT), through coding, programming, and designing.

In South Africa, TCS launched ExoLab in partnership with NASA and the Centre for the Advancement of Science in Space. The **Exolab** program is an experimental platform that brings together classrooms and the International Space Station, and enables children in South Africa to conduct integrated STEM experiments.

TCS launches the first ExoLab experiment in South Africa to conduct integrated STEM experiments

In Australia and New Zealand, the push has been to correct the gender imbalance in the STEM fields. Towards this end, TCS runs a dedicated week-long program, called **goIT Girls Work Experience**, as part of which senior TCS executives provide high school students insights into the various STEM roles that exist across the business spectrum. In FY 2018, **goIT Challenge** was launched, which encourages high school students to learn about and apply technologies such as big data, mobility, social media, cloud computing, and robotics, to community challenges.

As part of our efforts to raise STEM awareness in the Singapore community, TCS has worked closely with schools inviting students to understand the IT industry better as well as embark on an e-learning journey on popular programming languages (C++/Python).

Singapore goIT – students interact with a robot at the TCS office

In remote tribal areas in India, TCS is providing access to quality education by setting up **science and math laboratories** for children in partnership with TATA Trusts. Children and adults from the Kalahandi, Kandhamal, and Rayagada districts of Odisha have received access to modern equipment and learning protocol.

Enthused by the positive reception the labs received, TCS then decided to take the concept on the road with the **Lab on Bike** program, launched at 19 government schools around Bengaluru and 10 government schools in Ahmedabad. The key objective of the program is to make learning accessible by bringing it to the doorstep of the most vulnerable and disadvantaged children.

To help senior secondary school students gain a strong foundation in IT, programming, and applications, TCS launched **InsighT**. This program takes students through the software development lifecycle and lays emphasis on application concepts. A similar program called **LaunchPad** teaches programming logic to secondary school students through gamified learning, and has reached students across India, Muscat and Singapore.

Health and Wellness

Health is an important societal dimension that needs significant attention and investment from all stakeholders. Globally, TCS has been leveraging its Fit4Life initiative for building a fraternity of health and fitness conscious employees and creating a culture of fitness.

TCS has been providing IT solutions, logistics and operations support to **Tata Medical Center (TMC)**, Kolkata and **Cancer Institute (CI)** in Chennai to improve comprehensive cancer care and research.

TCS' **Translational Cancer Research Centre** is set up in partnership with **TMC**, to develop technology for clinical trials, risk adapted treatment, predictive outcome and biomarkers – driven by a strategy to strengthen the impact of cancer.

Digital Nerve Centre (DiNC), is an innovative platform that enables re-imagined access to healthcare. It leverages digital technologies, to coordinate and connect hospitals, specialists and patients. Using DiNC, TCS along with the Ministry of Health and TATA Trusts have re-imagined patient interactions with the hospital system in four major cancer hospitals.

DiNC doctor connecting with empanelled specialist for Virtual Consultation

AIIMS (All India Institute of Medical Sciences) OPD Transformation project is another social initiative where TCS introduced new technology and streamlined innovative processes that will benefit more than 3 million patients visiting 21 OPDs at the hospital each year. The process has helped eliminate overcrowding and reduce waiting time for patients, from six hours on an average, to less than two hours.

TCS has been supporting the **Society for Rehabilitation of Crippled Children (SRCC)** with the redevelopment of the children's hospital. All funds raised by TCS at the Mumbai Marathon are directed towards this cause. TCS has also supported the IT infrastructure and application development process at SRCC.

When it comes to promoting better health practices among employees, clients, as well as stakeholder communities, TCS believes in leading from the front, which is why we wholeheartedly participate in the **American Heart Association's (AHA's)** yearly **Heart Walks**. The idea is to raise funds and create awareness to save lives from the no.1 and no.5 killers in the US – heart disease and strokes, respectively. TCS North America also participates in AHA's national campaign, **'Go Red for Women'**, in the US and in the **Heart Month** each February, through the Heart and Stroke Foundation in Canada.

Across North America, TCS organizes volunteer activities that reflect the health and wellness needs of the communities where our employees live and work. These activities include meal sorting and packing at **food banks** to support low-income families. TCS also works closely with the **American Red Cross (ARC)** and the **Canadian Red Cross** to respond to **natural disasters**.

TCS associates frequently organize and support meal sorting and packing activities at food banks

In UK, TCS started a partnership with the **British Heart Foundation (BHF)** in 2016, to help spread awareness about **heart health**. This partnership supports our associates in many aspects of their well-being, from providing opportunities to volunteer and fundraise, to providing tailored information about individual employees' health.

Environment

Environmental responsibility is one of the main aspects of sustainable development. TCS strives to create a continuing positive impact on the health of the environment. This has been made possible by adopting and implementing an organization-wide environmental policy; creating awareness among associates; increasing the amount and scope of responsibility towards the environment; and introducing environmental responsibility into the core values of the organization.

TCS' Environmental Sustainability strategy is aligned to mitigate the climate change related risks by using scarce resources responsibly and doing more with less. The core to TCS' environmental management is the strategy supported by process, performance and people.

1. Process Focus:

   TCS has been one of the pioneers in the IT-sector to be certified to the international standard, **ISO 14001**, for its **Environment Management System (EMS)** in as early as 2003. Keeping up the momentum, we successfully migrated to **ISO 14001:2015** version of the standard this year under the enterprise-wide certification covering 112 locations globally. The TCS Environmental Policy, integrates environmental considerations into business processes and adopts a life cycle approach across our value chain. Energy, carbon, water and waste are the most material environmental aspects for our operations. We measure, manage and report on these aspects covering our global operations.

2. Performance

   Energy Conservation and Carbon Management

   The year has been quiet eventful with respect to energy conservation and carbon management. Energy as the key contributor to our carbon footprint is the cornerstone of our carbon mitigation strategy. TCS has achieved its 2020 target to reduce the specific carbon footprint by 50%, this year – 2 years ahead of the timeline. Our overall specific energy consumption reduced by 4.5% over FY17, and 51.4% over baseline year FY08. Our combined GHG emission (Scope 1 + Scope 2) was 1.42 tCO_2e/FTE; 52.5% less than the baseline year 2008 and 6.8% less than the last reporting year. This has been possible through concentrated efforts by various teams across the four levers - Green Buildings, Efficient Operations, Green IT and Use of Renewable energy.

   We have 19.5 million square feet of office area designed as per Green Building standards, which makes up 50% of the total office space we currently occupy. Out of this, 16.7 million sq. ft. is in the form of campuses across India, which makes up approximately 80% of the total owned workspaces.

   The TCS Energy Management program has witnessed rapid scaling up and further maturity during the year. The program now covers over 135 facilities across India. The Internet of Things (IoT) platform has been significantly enhanced to also acquire asset (chillers, air handling units, etc.) level data which is analysed to improve asset efficiency and operations. Most significant portion of our optimization falls in the area of analytics leading to aligning / streamlining heating, ventilation, and air conditioning (HVAC) operations and set-points, chillers and Air Handling Unit (AHU) with ambient temperature levels, occupancy levels, associate comfort levels, and scheduling chiller operations to operate more efficient chillers more frequently than less efficient chillers. Associate comfort data relating to cooling and lighting is also monitored and tracked to ensure optimal comfort levels. The Resource Optimization Centre (ROC) in Kochi has successfully blended people, processes and technology to drive significant energy savings during the year.

   TCS India took up a major project to change the luminaires to LEDs across 21 locations which contributed towards significant energy savings. Major retrofits were carried out at some locations with legacy infrastructure to improve the efficiency levels. Renewable energy use in our offices increased to 8.45% as compared to 7.25% in the last reporting year, towards achieving the 2020 target of 20% RE in the energy mix. This year we added 2.05 MW of Solar Rooftop system across four locations, taking the total installed capacity to 3.55MW. The solar rooftop installations across our campuses contribute towards 4403 MWh of energy.

Where there is a will there is a way! TCS Deccan Park, Hyderabad covered the open car parking with a canopy of solar photovoltaics

We have continuously innovated and improved our data center energy efficiency through initiatives like rack cooling solutions, air-flow management, UPS load optimization through modular UPS solutions and centralized monitoring, reducing the Power Utilization Efficiency (PUE) of 13 data centers to our target of 1.65. The average PUE across 23 key data centers is at 1.71, compared to an industry average of 1.8.

Water Conservation

Water is a scarce and a shared resource. We strive to optimize our water consumption through conservation, sewage treatment and reuse and rainwater harvesting. All our new campuses are built for 50% higher water efficiency, 100% treatment and recycling of sewage, and rainwater harvesting. In FY 2018, consistent water management measures have helped us sustain our water consumption performance a nearly constant levels compared to FY 2017. Implementation of rooftop collection systems, storage tanks, and recharge trenches and pits has led to a 13% increase in the rainwater harvesting potential at TCS sites in FY 2018 over the previous year.

Waste Reduction and Reuse

Being an IT services and consulting organization, the waste coming out of our facilities is limited to electronic and electrical waste, office consumables and municipal solid waste. There is also a relatively smaller proportion of potentially hazardous wastes such as lead-acid batteries and waste lube oil. TCS' waste management practices seek to ensure that less than 5% waste is sent to landfills by 2020 by ensuring segregation at source, reuse and recycle wherever possible.

Food and Garden Waste
Onsite composting and /or digestion sent to piggeries as feed

Hazardous & e-wastes
Disposed through government authorized recyclers in accordance with local laws

Printer & Toner cartridges
Sent back to manufacturer under product take back arrangement

Paper & Mixed Dry Waste
Paper is sent for recycling
Mixed dry waste - sent to scrap dealers or municipal disposal

TCS' waste management practices

In FY 2018, 34.7% of the total wet waste generated was treated through onsite composting or bio-digester treatment. Over 150 tons of compost was generated from garden waste in FY 2018, helping TCS avoid the use of chemical fertilizers and the resultant soil and groundwater pollution. Over 10 tonnes of manure generated from our campus Yantra Park in Mumbai was donated to farmers from nearby villages. The organic manure has helped change the face of the small village converting waste land into cultivated land, thus providing for livelihood.

By use of organic manure combined with new farming techniques, conversion of barren land into cultivable land

In FY 2018, 18,727 items of obsolete or defunct electronic and electrical equipment classified as E-waste were disposed through government-authorized handlers or recyclers, in accordance with the regulations of each country[1]. For India operations, hazardous wastes (as defined by regulations) are handled and disposed of as per the Hazardous Waste (Management and Handling) Rules, 2008, only through government-authorized vendors.

As a result of TCS' focus on resource use and waste reduction, per capita paper consumption has reduced by 9% over the prior year 85% over the baseline. The success of this drive can be attributed to the awareness created among associates, and the enforcement of printing discipline through automated and manual means. Paper waste is carefully segregated, shredded, and sent for recycling. In some cases, waste paper is sent to NGOs, which supply stationery items such as notepads and files made from recycled paper back to TCS. TCS continues to achieve 100% recycling of its paper waste[2].

3. People

Our customers, employees as well as suppliers are part of our environmental sustainability journey. We work with our customers to deliver IT-based green solutions. We motivate our suppliers to adhere to 100% regulatory compliance, adopt environmentally responsible practices and strive for better environmental performance as part of our **Supply Chain Sustainability** program. We also engage our employees through various awareness campaigns and communications to sensitize associates toward nature, the need to conserve resources and in general, be environmentally responsible. Over a million training hours were spent on health, safety, and the environment in FY18.

In Philippines, TCS in partnership with the Pasig River Rehabilitation Commission, conducted a cleanup project at the mouth of Pasig River in BASECO Compound, Manila.

TCS team cleaning up the Pasig River in Philippines

Associates in North America regularly participate in **volunteering activities** that positively impact the environment. Volunteers work with local park departments and other environmental organizations to participate in activities such as park clean-ups, where they work to remove invasive plant species, and clean up local shorelines.

In UK, TCS continues to promote environmental sustainability through **Eco Futures**, a staff awareness program that encourages behavioural change. The focus has been on recycling, energy consumption, and travel. Collectively, all these environment campaigns help ensure that our employees not only adopt and sustain environment-friendly behaviour at work, but also at home.

At the Siruseri location in Chennai, India, TCS has embarked on watershed management to prevent flooding in the area, including taking on the rejuvenation and maintenance of the **Siruseri Lake**. TCS is working towards the rejuvenation of **River Kasalganga** in Solapur, as it remains mostly dry, causing damage to crops which leads to consequential social impact.

[1] Data for all geographies.

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

Business
Responsibility Report

This section is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A more detailed Sustainability Report for FY18 will be published shortly on our website: www.tcs.com

Section A: General information about the company

1. **Corporate Identity Number (CIN) of the Company:** L22210MH1995PLC084781
2. **Name of the Company:** Tata Consultancy Services Limited
3. **Registered address:** 9th Floor, Nirmal Building, Nariman Point, Mumbai - 400 021, India
4. **Website:** www.tcs.com
5. **E-mail id:** corporate.sustainability@tcs.com
6. **Financial Year reported:** April 1, 2017 to March 31, 2018
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

ITC CODE	Product Description
85249009	Computer Software

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):** Consulting and Service Integration, Digital Transformation Services and Cognitive Business Operations.
9. **Total number of locations where business activity is undertaken by the Company:** 190 solution centers
   (a) **Number of International Locations (Provide details of major 5):** Top 5 regions are

North America	17
UK & Ireland	17
Latin America	16
Asia Pacific	9
Europe	4

   (b) **Number of National Locations:** 125
10. **Markets served by the Company–Local/State/National/ International:** North America, Latin America, United Kingdom & Ireland, Continental Europe, Asia Pacific, Middle East & Africa and India.

Section B: Financial details of the company

1. **Paid up Capital (INR):** 191 crore
2. **Total Turnover (INR):** 1,23,104 crore
3. **Total profit after taxes (INR):** 25,826 crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 1.61% of average profit for previous three years in respect of standalone TCS (India initiatives only)
5. **List of activities in which expenditure in 4 above has been incurred:**

Category (CSR in India only)	₹ Crore
Health & Wellness	136
Education & Skill Building	91
Environmental Sustainability	1
Contribution to TCS Foundation	172
Total	**400**

Including overseas spend, the Company's total spending on Corporate Social Responsibility is ₹ 505 Crore.

Section C: Other details

1. **Does the Company have any Subsidiary Company/ Companies?** Yes
2. **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, 31 subsidiaries participated
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:** No

Section D: BR information

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:

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

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

   Name: Mr. Ajoyendra Mukherjee

   Designation: Executive Vice President & Global Head HR

   Telephone number: 022 67789999

   E-mail id: corporate.sustainability@tcs.com

2. Principle wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

S.N.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy 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? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? Indicate the link for the policy to be viewed online?	Y*	Y*	Y*	Y**	Y*	Y***	Y*	Y*	Y*
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	Y	N	N	Y	N	N	Y

* Tata Code of Conduct (https://on.tcs.com/2HSlMQU)

** CSR Policy (https://on.tcs.com/2riPUyl)

*** Environment Policy (https://on.tcs.com/2wbkkI7)

3. Governance related to BR

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

Six Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days.

(b) **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 annually.

The hyperlink is: http://on.tcs.com/Corporate-Sustainability-Report-2017

Section E: Principle wise performance

Principle 1

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

   Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others? Yes

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so:** 138 ethics concerns from various stakeholders were received in the year FY 2018. 125 (91%) of these were satisfactorily resolved as on March 31, 2018. The remaining concerns are under review.

Principle 2

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

   Three instances of work done by TCS that results in social or environmental good are

   a) Energy management solution (EMS) - an IoT based, closed-loop data detecting and machine learning system to monitor, detect and analyse energy consumption patterns in real-time and to uncover opportunities of reducing energy consumption and reducing the carbon footprint impact.

   b) TCS' Digifleet Fleet Management Solution – An IoT enabled solution that results in fleet optimisation and consequently leads to reduction in the usage of fuel and hence emissions.

   c) mKRISHI – A system that empowers farmers with data to improve farming productivity. (More details online – (https://goo.gl/w8Ysws)

2. **For each such product, provide the following details in respect of resource used (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) EMS - During this year (2017-18), TCS was able to reduce the specific electricity consumption by 4.5%. This has been achieved through a series of initiatives including real time energy monitoring (smart metering), timely interventions enabled through TCS' IoT platform, change over to energy efficient lighting and modernization of legacy infrastructure to energy efficient systems.

      b) Digifleet – Not applicable.

      c) mKRISHI – Not applicable

   b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year:**

      a) EMS – Not applicable.

      b) Digifleet – Complete end-to-end IoT enabled solution that has delivered over 11% increase in vehicle utilization, 30% reduction in the wait-time and 20% increase in ridership through fleet optimisation across various transport sectors. This leads to greater fuel efficiency and simultaneously adds social value through ease of commuting.

      c) mKRISHI – Not applicable

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

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

   Our suppliers sign the Supplier Code of Conduct and the Tata Code of Conduct. Our policy on supply chain sustainability can be found here (https://on.tcs.com/2HNZUdI)

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

   Yes

   (a) **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.

   Under the BridgeIT programme, TCS has trained digital entrepreneurs who have established themselves as key resources in the villages within which they operate.

   To enhance livelihood options in Panvel, India, TCS associates have trained 50 women in making eco-friendly jute bags through the 'Women Empowerment Programme'. TCS procures these bags for distribution at various marketing events organized by the company.

   In IT procurement, TCS follow the principle of buying directly from OEM (Original Equipment Manufacturer) or their distributors and authorized re-sellers. However, for early turn around for less critical items like spares and consumables, TCS promotes local vendors in locations which have sizable presence. Some of the promising ones are also mentored and introduced to OEMs for scaling their business with TCS.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so:**

   Yes. For more details please refer to the Corporate Sustainability section of this Annual Report.

Principle 3

1. **Please indicate the Total number of employees:**

   394,998 as on March 31, 2018.

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

   16,999 as on March 31, 2018.

3. **Please indicate the Number of permanent women employees:**

   139,487 as on March 31, 2018.

4. **Please indicate the Number of permanent employees with disabilities:**

   484 as on March 31, 2018.

5. **Do you have an employee association that is recognized by management?**

   Yes.

6. **What percentage of your permanent employees are members of this recognized employee association?**

   0.02% (For India)

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:**

   During FY 2017-18, the Company has received 62 complaints on sexual harassment, out of which 58 complaints have been resolved with appropriate action taken and 4 complaints remain pending as on March 31, 2018. Internal review is under progress for the pending complaints.

   There have been no complaints in other areas.

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

   (a) Permanent Employees - **93%** (b) Permanent Women Employees - **92%** (c) Casual/Temporary/Contractual Employees - **74%** (d) Employees with Disabilities - **91%**

Principle 4

1. **Has the company mapped its internal and external stakeholders?**

   Yes

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:**

   Yes

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so:**

   Yes. TCS has several programmes designed to benefit marginalised stakeholders. Please refer to the Corporate Sustainability section of this Annual Report for details of BridgeIT, Advanced Computer Training Centre, Empower, Adult Literacy Program and BPS/IT Employability Programs.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The policy is applicable to TCS, its subsidiaries and vendors.

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

   None was received.

Principle 6

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

   The policy is applicable to TCS, its subsidiaries and vendors.

2) **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc:**

   Yes. Please refer to (https://on.tcs.com/2wbkkI7)

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

   Yes.

4) **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Not Applicable

5) **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes. Please refer to the Corporate Sustainability section of this Annual Report for details.

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

   Yes

7) **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   One

Principle 7

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

   Yes. National Association of Software and Services Companies (NASSCOM), Confederation of Indian Industries (CII), Federation of India Chambers of Commerce and Industry (FICCI), US India Business Council (USIBC) and US Chamber of Commerce.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):**

   Yes. TCS participated in consultations on Governance and Administration, Sustainable Business Principles, Inclusive Development Policies (with a focus on skill building and literacy), Economic Reforms and Tax and other legislations. TCS uses the Tata Code of Conduct as a guide for its actions in influencing public and regulatory policy.

Principle 8

1. **Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof?**

   Yes. Kindly refer to the Corporate Sustainability section of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   TCS uses all of these modes.

3. **Have you done any impact assessment of your initiative?**

   Yes.

4. **What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

   ₹ 505 Crore including overseas spend. For more details refer to the Corporate Sustainability section of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so:**

   Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, monthly reports and follow-up field visits, telephonic and email communications are regularly carried out. The Company has engaged highly trained employees to drive and monitor the CSR activities.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   5.66% of the complaints received is pending resolution as on March 31, 2018.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information):**

   Not applicable

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so:**

   No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes.

Awards and **Accolades**

Business

- Ranked as the **fastest growing IT Services brand** by brand value, and as one of the **Top 3 Global Brands in IT Services** globally in 2018 by Brand Finance
- Recognized as one of the **Top Regarded Companies** and one of the **World's Best Employers** in the Forbes 2017 Global 2000 list
- Ranked **#1** in Europe for **Customer Satisfaction** for the fifth consecutive year by Whitelane Research
- Ranked **No 1** in the **BT 500 - India's Most Valuable Companies 2017**
- Topped the **BW 500 Real rankings** in the technology space - 2017
- Won the **CII Industrial Intellectual Property Award 2017**
- Won two awards at the **Express IT Awards® 2017** for `**IT Innovation in large enterprise category'** and `**Mobility Solutions category'**
- Bagged multiple awards at the **Asian Banker Technology Innovation Awards 2017**
- Recognised as a prominent **'Technology Partner'** at the **Manufacturing Leadership 100 Awards** for the fourth time
- TCS' Singapore Marathon App won the award for the **Best Mobile App for Media, Entertainment & Social Media** at GSMA's Asia Mobile Awards 2017
- The TCS New York City Marathon App, named the Consumer App of the Year for the second consecutive year, also won the **Gold** award at the Best in Biz Awards 2017 International

Employer

- Ranked as a **Top Employer** globally for the third year running by the Top Employer Institute, including in leading regions such as North America, UK, Europe and LatAm
- Named among the **Top job creators** in the US IT Services Sector by The Cambridge Group
- Recognized as one of the Achievers **50 Most Engaged Workplaces™** in North America, for the fifth consecutive year
- Won the Editor's choice Award for **Best Learning Execution** at the Chief Learning Officer Magazine's 2017 LearningElite Awards
- Won the `**Innovation in Talent Development'** Award and `**Excellence in Practice'** recognitions at the Association for Talent Development (ATD) Conference in Atlanta
- Won a Gold Stevie® for **Achievement in Employee Engagement** in the Americas, and two Silver Stevies® for **Achievement in Recruitment** and **Employer of the Year** at the Stevie® Awards for Great Employers (SAGE)
- Won the 2017 Canadian National HR Award for **'Best Recruitment Campaign'** from the Canadian HR Reporter for the third straight year
- Named as one of the **'Best Companies to Work for Women in India'** by Working Mother Media and Avtar Group
- Won the **'WILL Best Employers for Women'** award from the WILL Forum India
- Received Eight Brandon Hall Group Awards covering **Excellence in Learning, Leadership Development, Talent Management and Talent Acquisition**
- Named as **Best Company for Diversity and Inclusion** at the 2018 Women in Technology and Data Awards, hosted by Waters Technology
- Recognized as **Most Admired Knowledge Enterprise** at the KM India Summit organized by CII

Sustainability

- Named in **Fortune's** annual list of the **Top 50 Companies that are changing the world,** for **mKrishi**
- Awarded the **Gold rating** certificate by **EcoVadis** for the fourth time in a row
- Included in the **Global Dow Jones Sustainability Index (DJSI)** for fifth consecutive year
- Included in the **FTSE4Good Emerging Index**
- Recognized as a **Leader in Climate Change efforts** by CDP (formerly Carbon Disclosure Project)
- Won the **'Social Responsibility Project of the Year'** for the second year in a row at the **North American Employee Engagement Awards**
- Named as One of America's **Civic 50** by **Points of Light**
- Awarded Gold for its **BridgeIT Program** at the India Digital Awards 2017, under 'Best Use of Internet for Social and Economic Development' category by the Internet & Mobile Association of India (IAMAI)
- **TCS' Passport Seva** won two CSI Nihilent eGovernance Awards 2017 at the 52nd CSI annual convention
- Won the `**Project of the Year – Contribution to Community'** for the BridgeIT program at PMI India Awards 2017
- Won the 2018 IBM Beacon Award for **Outstanding Community Service**

Partner

- Won multiple awards at the Oracle Excellence Awards 2017 : **Oracle Global Partner of the Year Award for PaaS/IaaS Cloud Specialty, Oracle Customer Advocacy Award for EMEA, Oracle 2017 Specialized Partner of the Year - INDIA Regional Partner of the Year**
- Won the **Best Supplier** Award from Ericsson
- Won the **Oracle Integrated Cloud Partner of the Year** Award in UK & Ireland
- Won the **Adobe System Integrator Partner of the Year 2017** Award in India
- Won the **Global Partner of the Year** Award in **Business Excellence** from Cloudera
- Named the **Global System Integrator of the Year** by Cloudera
- Won the **Pega 2017 Partner Excellence** Award
- Won the **Veritas AMS Global Strategic Partner of the Year** Award
- Named as the **Dell Boomi European, Middle East and Africa Region Implementation Partner of the Year**
- Named by CA Technologies as their **2017 Global Marketing Innovation Partner of the Year**
- Recognized as Cisco's **IT Service Provider Partner of the Year for Cloud Excellence**
- Won Perfecto 2017 **Global Partner of the Year**
- Won the 2018 IBM Asia Pacific Excellence Award as a **Top Systems Integrator**

Leadership

- Ranked among the **Most Honored Companies in Asia,** and rated the **Best Investor Relations Professional, Best Investor Relations and Best IR website** in the region in Institutional Investor's 2017 Annual All Asia Executive Team rankings
- **CFO, Ramakrishnan V.**, awarded the **'Creating Shared Value CFO'** at the Yes Bank - BW Best CFO Awards 2017

Consolidated
Financial Statements

Independent Auditor's Report

To the Members of

Tata Consultancy Services Limited (Holding Company)

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Tata Consultancy Services Limited ("the Holding Company") and its subsidiary companies listed in Annexure I (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, its consolidated profit (including other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Other Matter

Corresponding figures of the Group for the year ended 31 March 2017 have been audited by another auditor who expressed an unmodified opinion dated 18 April 2017 on the consolidated Ind AS financial statements of the Group for the year ended 31 March 2017.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies which are incorporated in India, as on 31 March 2018 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 32 to the consolidated Ind AS financial statements;

   ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 20 to the consolidated Ind AS financial statements;

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2018; and

   iv. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai
19 April 2018

Annexure I: List of entities consolidated as at 31 March 2018

1	APTOnline Limited	32	TCS e-Serve America, Inc.
2	C-Edge Technologies Limited	33	Tata Consultancy Services (Portugal) Unipessoal, Limitada
3	CMC Americas, Inc.	34	TCS Financial Solutions Australia Pty Limited
4	Diligenta Limited	35	TCS Financial Solutions Beijing Co., Ltd.
5	MahaOnline Limited	36	TCS Financial Solutions Australia Holdings Pty Limited
6	MP Online Limited	37	MGDC S.C.
7	Tata America International Corporation	38	Tata Consultancy Services Argentina S.A.
8	Tata Consultancy Services (Africa) (PTY) Ltd.	39	Tata Consultancy Services De Mexico S.A., De C.V.
9	Tata Consultancy Services Asia Pacific Pte Ltd.	40	Tata Consultancy Services Do Brasil Ltda
10	Tata Consultancy Services Belgium	41	TCS Inversiones Chile Limitada
11	Tata Consultancy Services Canada Inc.	42	TCS Solution Center S.A.
12	Tata Consultancy Services Deutschland GmbH	43	TCS Uruguay S.A.
13	Tata Consultancy Services Netherlands BV	44	Tata Consultancy Services France SA (formerly Alti S.A.)
14	Tata Consultancy Services Qatar S.S.C.	45	Tata Consultancy Services Danmark ApS
15	Tata Consultancy Services Sverige AB	46	Tata Consultancy Services De Espana S.A.
16	TCS e-Serve International Limited	47	Tata Consultancy Services Luxembourg S.A.
17	TCS FNS Pty Limited	48	Tata Consultancy Services Osterreich GmbH
18	TCS Foundation	49	Tata Consultancy Services Saudi Arabia
19	TCS Iberoamerica SA	50	Tata Consultancy Services Switzerland Ltd.
20	PT Tata Consultancy Services Indonesia	51	Tata Sons & Consultancy Services Employees’ Welfare Trust
21	Tata Consultancy Services (China) Co., Ltd.	52	TCS e-Serve Limited – Employees’ Welfare Trust
22	Tata Consultancy Services (Philippines) Inc.	53	TCS e-Serve International Limited – Employees’ Welfare Benefit Trust
23	Tata Consultancy Services (Thailand) Limited		
24	Tata Consultancy Services Japan, Ltd.		
25	Tata Consultancy Services Malaysia Sdn Bhd		
26	TCS Italia s.r.l.		
27	CMC eBiz, Inc.		
28	Tata Consultancy Services (South Africa) (PTY) Ltd.		
29	Tata Consultancy Services Chile S.A.		
30	TATASOLUTION CENTER S.A.		
31	Technology Outsourcing S.A.C.		

Annexure A to the Independent Auditor's 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 the Tata Consultancy Services Limited ("the Company" or "the Holding Company") and its subsidiary companies which are incorporated in India as of 31 March 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 ("ICAI"). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary companies', which are incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies', which are incorporated in India, 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, the Holding Company and its subsidiary companies which are 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 31 March 2018, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai
19 April 2018

Consolidated Balance Sheet

(₹ crores)

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

As per our report of even date attached

For and on behalf of the Board

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 19, 2018

N. Chandrasekaran *Chairman*

V. Ramakrishnan *CFO*

Dr. Ron Sommer *Director*

Aarthi Subramanian *Director*

Rajesh Gopinathan *CEO and Managing Director*

O. P. Bhatt *Director*

V. Thyagarajan *Director*

Prof. Clayton M. Christensen *Director*

N. Ganpathy Subramaniam *COO and Executive Director*

Aman Mehta *Director*

Dr. Pradeep Kumar Khosla *Director*

Rajendra Moholkar *Company Secretary*

Consolidated Statements of Profit and Loss

(₹ crores)

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

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 19, 2018

For and on behalf of the Board

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Director

Prof. Clayton M. Christensen
Director

Rajendra Moholkar
Company Secretary

Consolidated Statements of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crores)

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

(₹ crores)

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

B. OTHER EQUITY

(₹ crores)

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

*Refer note 16.

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

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

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 19, 2018

For and on behalf of the Board

N. Chandrasekaran
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V. Ramakrishnan
CFO

Dr. Ron Sommer
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COO and Executive Director

Aman Mehta
Director

Dr. Pradeep Kumar Khosla
Director

Rajendra Moholkar
Company Secretary

Consolidated Statements of Cash Flows

(₹ crores)

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

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

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

As per our report of even date attached

For and on behalf of the Board

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai, April 19, 2018

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Director

Rajendra Moholkar
Company Secretary

Notes forming part of the Consolidated Financial Statements

1) Corporate information

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

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai 400001. As at March 31, 2018, Tata Sons Limited, the holding company owned 71.89% of the Company's equity share capital.

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

2) Significant accounting policies

(a) Statement of compliance

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

(b) Basis of preparation

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

(c) Basis of consolidation

The Company consolidates all entities which are controlled by it.

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

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

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

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

(d) Business combinations

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

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

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

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

(e) Use of estimates and judgements

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

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

Key source of estimation of uncertainty at the date of consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Impairment of goodwill

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

Useful lives of property, plant and equipment

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

Valuation of deferred tax assets

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

Provisions and contingent liabilities

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

Fair value measurement of financial instruments

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

(f) Revenue recognition

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

Notes forming part of the Consolidated Financial Statements

The Group recognises revenue as follows:

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

Revenue from contracts priced on a time and material basis is recognised as services are rendered and as related costs are incurred.

Revenue from software development contracts, which are generally time bound fixed price contracts, is recognised over the life of the contract using the percentage-of-completion method, with contract costs determining the degree of completion. Losses on such contracts are recognised when probable. Revenue in excess of billings is recognised as unbilled revenue in the balance sheet; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the balance sheet.

Revenue from Business Process Services contracts priced on the basis of time and material or unit of delivery is recognised as services are rendered or the related obligation is performed.

Revenue from the sale of internally developed and manufactured systems and third party products which do not require significant modification is recognised upon delivery, which is when the absolute right to use passes to the customer and the Group does not have any material remaining service obligations.

Revenue from maintenance contracts is recognised on a pro-rata basis over the period of the contract.

Revenue is recognised only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured.

Revenue is reported net of discounts and indirect taxes.

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

(h) Leases

Finance lease

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating lease

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

(i) Cost recognition

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

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

(j) Foreign currency

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

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

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

(k) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

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

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

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

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

Deferred income taxes

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

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

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

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

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

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

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

Notes forming part of the Consolidated Financial Statements

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(l) Financial instruments

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Hedge accounting

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

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

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

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

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

(m) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

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

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

(n) Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased including acquired in business combination, are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis.

Notes forming part of the Consolidated Financial Statements

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

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

(o) Impairment

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

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

(ii) Non-financial assets

(a) Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(b) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

(p) Employee benefits

(i) Defined benefit plans

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

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

(ii) Defined contribution plans

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

(iii) Compensated absences

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

(q) Inventories

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

(r) Earnings per share

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

3) Recent Indian Accounting Standards (Ind AS)

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

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

Ind AS 115 – Revenue from Contracts with Customers

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

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

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

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

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

Notes forming part of the Consolidated Financial Statements

4) Property, plant and equipment

Property, plant and equipment consist of the following:

(₹ crores)

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

(₹ crores)

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

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

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

5) Intangible assets

Intangible assets consist of the following:

(₹ crores)

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

(₹ crores)

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

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

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

6) Goodwill

Goodwill consist of the following:

(₹ crores)

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

The Group tests goodwill annually for impairment.

Goodwill of ₹ 618 crores (March 31, 2017: ₹ 531 crores) has been allocated to the TCS business in France. The estimated value-in-use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 10.77%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of ₹ 1,127 crores (March 31, 2017: ₹ 1,066 crores) (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

7) Investments

Investments consist of the following:

(A) Investments - Non-current

(₹ crores)

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

*Pertains to trusts held for specified purposes.

Notes forming part of the Consolidated Financial Statements

(B) Investments - Current

(₹ crores)

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

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

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

8) Loans

Loans (unsecured) consist of the following:

(A) Loans - Non-current

(₹ crores)

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

(B) Loans - Current

(₹ crores)

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

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

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

Notes forming part of the Consolidated Financial Statements

9) Other financial assets

Other financial assets consist of the following:

(A) Other financial assets - Non-current

(₹ crores)

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

(B) Other financial assets - Current

(₹ crores)

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

10) Income taxes

The income tax expense consists of the following:

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

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

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

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

Gross deferred tax assets and liabilities are as follows:

(₹ crores)

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

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

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

Gross deferred tax assets and liabilities are as follows:

(₹ crores)

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

Under the Indian Income Tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate. In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlement. These unexpired business losses will expire based on the year of origination as follows:

(₹ crores)

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

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

Deferred tax liability on undistributed earnings of ₹ 7,164 crores of certain subsidiaries has not been recognised, as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

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

Notes forming part of the Consolidated Financial Statements

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

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

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

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

11) Other assets

Other assets consist of the following:

(A) Other assets - Non-current

(₹ crores)

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

*Represents value less than ₹ 0.50 crore.

(B) Other assets - Current

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

(₹ crores)

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

12) Inventories

Inventories consist of the following:

(₹ crores)

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

*Represents values less than ₹ 0.50 crore.

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

13) Trade Receivables

Trade receivables (unsecured) consist of the following:

(A) Trade receivables - Non-current

(₹ crores)

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

(B) Trade receivables - Current

(₹ crores)

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

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

Notes forming part of the Consolidated Financial Statements

14) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crores)

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

15) Other balances with banks

Other balances with banks consist of the following:

(₹ crores)

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

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

16) Share capital

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

(₹ crores)

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

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

Notes forming part of the Consolidated Financial Statements

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

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

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

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

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

Equity shares

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

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

(₹ crores)

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

*Equity shares having value less than ₹ 0.50 crore.

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

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

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

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

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

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

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

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

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

Notes forming part of the Consolidated Financial Statements

17) Other equity

Other equity consist of the following:

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

(₹ crores)

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

*Refer note 16.

Other components of equity

Other components of equity consist of the following:

Investment revaluation reserve

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

Nature of reserves

(a) **Capital reserve**

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

(b) **Securities premium**

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

(c) **Capital redemption reserve**

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

(d) **General reserve**

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

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

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

(f) **Investment revaluation reserve**

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

(g) **Cash flow hedging reserve**

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

(h) **Foreign currency translation reserve**

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

18) Borrowings

Borrowings consist of the following:

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

(₹ crores)

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

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

Notes forming part of the Consolidated Financial Statements

(B) Borrowings - Current (unsecured loans)

(₹ crores)

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

19) Other financial liabilities

Other financial liabilities consist of the following:

(A) Other financial liabilities - Non-current

(₹ crores)

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

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

(B) Other financial liabilities - Current

(₹ crores)

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

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

20) Provisions

Provisions consist of the following:

(A) Provisions - Non-current

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

(B) Provisions - Current

(₹ crores)

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

21) Other liabilities

Other liabilities consist of the following:

(A) Other liabilities - Non-current

(₹ crores)

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

(B) Other liabilities - Current

(₹ crores)

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

22) Revenue from operations

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

23) Other income (net)

Other income (net) consist of the following:

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

(₹ crores)

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

24) Employee benefits

Employee benefit expenses consist of the following:

(₹ crores)

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

Employee benefit obligations consist of the following:

(A) Employee benefit obligations - Non-current

(₹ crores)

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

(B) Employee benefit obligations - Current

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

Employee benefits plans

Gratuity and pension

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

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

(₹ crores)

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

(₹ crores)

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

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

Notes forming part of the Consolidated Financial Statements

(₹ crores)

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

(₹ crores)

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

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

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

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

(₹ crores)

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

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

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

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

Notes forming part of the Consolidated Financial Statements

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.50%, the defined benefit obligations would decrease by ₹ 143 crores (increase by ₹ 158 crores) as at March 31, 2018.

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

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

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

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

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

(₹ crores)

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

Provident fund

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

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

Notes forming part of the Consolidated Financial Statements

The details of fund and plan assets are given below:

(₹ crores)

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

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

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

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

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

Superannuation

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

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

Foreign Defined Contribution Plan

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

25) Other operating expenses

Other operating expenses consist of the following:

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

26) Cost of equipment and software licences

Cost of equipment and software licences include:

(₹ crores)

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

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

28) Lease

The Group has taken on lease property and equipment under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were ₹ 1,998 crores (March 31, 2017: ₹ 1,818 crores) for the year ended March 31, 2018.

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

(₹ crores)

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

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

Receivables under sub leases

(₹ crores)

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

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

29) Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(l) to the consolidated financial statements.

(a) Financial assets and liabilities

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

(₹ crores)

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

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

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

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

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

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

Fair value hierarchy

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

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

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

(₹ crores)

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

Reconciliation of Level 3 fair value measurement is as follows:

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

(b) Derivative financial instruments and hedging activity

The Group's revenue is denominated in foreign currency predominantly US Dollar, Sterling Pound and Euro. In addition to these currencies, the Group also does business in Australian Dollar, Canadian Dollar, Swiss Franc, Japanese Yen, Norwegian Krone, Swedish Krona, South African Rand, Singapore Dollar, Saudi Arabian Riyal, Danish Kroner and Brazilian Real. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Group to currency fluctuations.

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

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

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

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

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

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

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

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

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

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

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

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

(₹ crores)

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

(c) Financial risk management

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

Notes forming part of the Consolidated Financial Statements

i. Market risk

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

i. (a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound, Australian Dollar, Singapore Dollar, Saudi Arabian Riyal, Danish Kroner and Brazilian Real against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenue in international business.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Tata Consultancy Services Limited as of the date of balance sheet which could affect the statement of profit and loss and other comprehensive income and equity.

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

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

(₹ crores)

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

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's profit before taxes by approximately ₹ 366 crores for the year ended March 31, 2018.

(₹ crores)

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

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's profit before taxes by approximately ₹ 288 crores for the year ended March 31, 2017.

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

Notes forming part of the Consolidated Financial Statements

i. (b) Interest rate risk

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

ii. Credit risk

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹ 4,797 crores are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹ 2,000 crores held with an Indian bank having high quality credit rating which are individually in excess of 10% or more of the Group's total bank deposits in year ended March 2018. None of the other financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 81,771 crores as at March 31, 2018 (March 31, 2017: ₹ 79,313 crores), being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, unbilled revenue and other financial assets.

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

Geographic concentration of credit risk

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

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

Geographical concentration of is trade receivables and unbilled revenue allocated based on the location of the customers.

iii. Liquidity risk

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

Notes forming part of the Consolidated Financial Statements

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

(₹ crores)

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

(₹ crores)

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

30) Earnings per share (EPS)

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

31) Segment information

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

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

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

Notes forming part of the Consolidated Financial Statements

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Summarised segment information for the years ended March 31, 2018 and 2017 is as follows:

Year ended March 31, 2018 (₹ crores)

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

As at March 31, 2018 (₹ crores)

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

Notes forming part of the Consolidated Financial Statements

Year ended March 31, 2017 (₹ crores)

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

As at March 31, 2017 (₹ crores)

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

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

Information regarding geographical revenue is as follows:

(₹ crores)

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

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

Notes forming part of the Consolidated Financial Statements

Information regarding geographical non-current assets is as follows:

(₹ crores)

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

i. (1) and (3) are substantially related to operations in the United States of America.

ii. (2) includes revenue from operations in the United Kingdom of ₹ 17,625 crores (March 31, 2017: ₹ 16,404 crores) for the year ended March 31, 2018.

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

Information about major customers

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

32) Commitments and contingent liabilities

Capital commitments

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

Contingencies

Direct tax matters

Refer note 10.

Indirect tax matters

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

Other claims

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

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

Letter of Comfort

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

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

Notes forming part of the Consolidated Financial Statements

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

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

Notes forming part of the Consolidated Financial Statements

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

Notes forming part of the Consolidated Financial Statements

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

Notes forming part of the Consolidated Financial Statements

34) Related party transactions

Tata Consultancy Services Limited's principal related parties consist of its holding company Tata Sons Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

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

Transactions with related parties are as follows:

(₹ crores)

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

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

Balances receivable from related parties are as follows:

(₹ crores)

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

(₹ crores)

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

Balances payable to related parties are as follows:

(₹ crores)

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

(₹ crores)

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

Notes forming part of the Consolidated Financial Statements

Compensation to key management personnel is as follows:

(₹ crores)

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

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

35) Subsequent events

Dividends

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

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

Bonus issue

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

Unconsolidated
Financial Statements

Independent Auditor's Report

To The Members of

Tata Consultancy Services Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Tata Consultancy Services Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Other Matter

Corresponding figures for the year ended 31 March 2017 have been audited by another auditor who expressed an unmodified opinion dated 18 April 2017 on the standalone Ind AS financial statements of the Company for the year ended 31 March 2017.

Our opinion on the standalone Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 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, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 33 to the standalone Ind AS financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 19 to the standalone Ind AS financial statements;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
      iv. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai
19 April 2018

Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	**Nature of the Dues**	**Amount (₹ in crores)****	**Period**	**Forum where dispute is pending**
The Income-tax Act, 1961	Income-tax	3,601	Assessment Year – 2006-2007, 2010-2011, 2011-2012, 2012-2013, 2013-2014	Income-tax Appellate Tribunal
		2,312	Assessment Year – 2014-2015, 2015-2016	Commissioner of Income-tax (Appeals)
The Central Sales Tax Act, 1956 and Value Added Tax Act	Sales tax and VAT	147	Financial Year - 1994-1995, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014	High Court
		8	Financial Year - 1990-1991, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2008-2009, 2011-2012, 2012-2013	Tribunal
		-*	Financial Year - 1995-1996, 1997-1998, 2004-2005, 2005-2006, 2011-2012, 2014-2015	Assistant Commissioner
		-*	Financial Year - 2016-2017	Commissioner Appeal
		7	Financial Year - 1994-1995, 2005-2006, 2008-2009, 2010-2011, 2011-2012, 2013-2014	Deputy Commissioner
		8	Financial Year - 1997-1998, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015	Joint Commissioner
		-*	Financial Year - 2007-2008, 2013-2014	Additional Commissioner
The Finance Act, 1994	Service tax	7	Financial Year - 2002-2003, 2003-2004, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015	Commissioner Appeals
		80	Financial Year - 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013	Tribunal

* Indicates amount less than Rs 0.50 crore

** These amounts are net of amount paid/ adjusted under protest Rs. 3,948 crores

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai
19 April 2018

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(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 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended 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 ("ICAI"). 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 31 March 2018, 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 issued by the ICAI.

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

Yezdi Nagporewalla
Partner
Membership No: 049265

Mumbai
19 April 2018

Balance Sheet

(₹ crores)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**9,430**	9,214
(b) Capital work-in-progress		**1,238**	1,477
(c) Intangible assets	5	**10**	17
(d) Financial assets			
(i) Investments	6(A)	**2,186**	2,201
(ii) Trade receivables	12(A)	**94**	67
(iii) Unbilled revenue		**179**	110
(iv) Loans	7(A)	**1,503**	6
(v) Other financial assets	8(A)	**504**	638
(e) Income tax assets (net)		**3,824**	4,560
(f) Deferred tax assets (net)	9	**3,051**	2,447
(g) Other assets	10(A)	**815**	579
Total non-current assets		**22,834**	21,316
Current assets			
(a) Inventories	11	**25**	21
(b) Financial assets			
(i) Investments	6(B)	**35,073**	40,729
(ii) Trade receivables	12(B)	**18,882**	16,582
(iii) Unbilled revenue		**5,330**	4,125
(iv) Cash and cash equivalents	13	**1,278**	790
(v) Other balances with banks	14	**2,209**	526
(vi) Loans	7(B)	**2,793**	2,704
(vii) Other financial assets	8(B)	**807**	1,418
(c) Other assets	10(B)	**1,825**	1,547
Total current assets		**68,222**	68,442
TOTAL ASSETS		**91,056**	89,758
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	15	**191**	197
(b) Other equity	16	**75,675**	77,825
Total Equity		**75,866**	78,022
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(A)	**39**	44
(ii) Other financial liabilities	18(A)	**246**	245
(b) Employee benefit obligations	23(A)	**62**	63
(c) Provisions	19(A)	**26**	39
(d) Deferred tax liabilities (net)	9	**424**	314
(e) Other liabilities	20(A)	**335**	330
Total non-current liabilities		**1,132**	1,035
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(B)	**181**	200
(ii) Trade payables		**4,775**	4,190
(iii) Other financial liabilities	18(B)	**2,739**	1,946
(b) Unearned and deferred revenue		**1,711**	1,126
(c) Income tax liabilities (net)		**1,144**	1,046
(d) Employee benefit obligations	23(B)	**1,478**	1,376
(e) Provisions	19(B)	**171**	66
(f) Other liabilities	20(B)	**1,859**	751
Total current liabilities		**14,058**	10,701
TOTAL EQUITY AND LIABILITIES		**91,056**	89,758
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-36		

As per our report of even date attached

For and on behalf of the Board

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

Yezdi Nagporewalla
Partner
Membership number: 049265

Mumbai, April 19, 2018

N. Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

N. Ganpathy Subramaniam
COO and Executive Director

V. Ramakrishnan
CFO

O. P. Bhatt
Director

Aman Mehta
Director

Dr. Ron Sommer
Director

V. Thyagarajan
Director

Dr. Pradeep Kumar Khosla
Director

Aarthi Subramanian
Director

Prof. Clayton M. Christensen
Director

Rajendra Moholkar
Company Secretary

Statements of Profit and Loss

(₹ crores)

		Note	Year ended March 31, 2018	Year ended March 31, 2017
I.	Revenue from operations	21	**97,356**	92,693
II.	Other income (net)	22	**5,803**	4,568
III.	TOTAL INCOME		**103,159**	97,261
IV.	**Expenses**			
	(a) Employee benefit expenses	23	**51,499**	48,116
	(b) Cost of equipment and software licences	25	**2,006**	1,758
	(c) Other operating expenses	24	**16,046**	15,730
	(d) Finance costs		**30**	16
	(e) Depreciation and amortisation expense		**1,647**	1,575
	TOTAL EXPENSES		**71,228**	67,195
V.	PROFIT BEFORE TAX		**31,931**	30,066
VI.	**Tax expense**			
	(a) Current tax	9	**6,878**	6,643
	(b) Deferred tax	9	**(188)**	(230)
	TOTAL TAX EXPENSE		**6,690**	6,413
VII.	PROFIT FOR THE YEAR		**25,241**	23,653
VIII.	OTHER COMPREHENSIVE INCOME / (LOSSES)			
(A)	(i) **Items that will be reclassified subsequently to the profit or loss**			
	(a) Net changes in fair values of investments other than equity shares carried at fair value through OCI		**(821)**	740
	(b) Net change in intrinsic value of derivatives designated as cash flow hedges		**(122)**	41
	(c) Net change in time value of derivatives designated as cash flow hedges		**(59)**	3
	(ii) **Income tax on items that will be reclassified subsequently to the profit or loss**		**306**	(261)
(B)	(i) **Items that will not be reclassified subsequently to the profit or loss**			
	(a) Remeasurement of defined employee benefit plans		**86**	(200)
	(b) Net changes in fair values of investments in equity shares carried at fair value through OCI		**(19)**	(20)
	(ii) **Income tax on items that will not be reclassified subsequently to the profit or loss**		**-**	-
	TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**(629)**	303
IX.	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**24,612**	23,956
X.	**Earnings per equity share:- Basic and diluted (₹)**	30	**131.15**	120.04
	Weighted average number of equity shares		**192,45,92,806**	197,04,27,941
XI.	NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-36		

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership number: 049265

Mumbai, April 19, 2018

For and on behalf of the Board

N. Chandrasekaran
Chairman

V. Ramakrishnan
CFO

Dr. Ron Sommer
Director

Aarthi Subramanian
Director

Rajesh Gopinathan
CEO and Managing Director

O. P. Bhatt
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
Director

N. Ganpathy Subramaniam
COO and Executive Director

Aman Mehta
Director

Dr. Pradeep Kumar Khosla
Director

Rajendra Moholkar
Company Secretary

Statements of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crores)

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

(₹ crores)

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

*Refer note 15.

B. OTHER EQUITY

(₹ crores)

	Reserves and surplus						Items of other comprehensive income			
	Capital reserve*	Securities premium	Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve: Intrinsic value	Cash flow hedging reserve: Time value	Total Equity
Balance as at April 1, 2016	-	1,919	100	9,118	-	53,576	54	68	(19)	64,816
Profit for the year	-	-	-	-	-	23,653	-	-	-	23,653
Other comprehensive income	-	-	-	-	-	(200)	464	37	2	303
Total comprehensive income	-	-	-	-	-	23,453	464	37	2	23,956
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	376	(376)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(279)	279	-	-	-	-
Dividend (including tax on dividend)	-	-	-	-	-	(10,947)	-	-	-	(10,947)
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	(20)	20	-	-	-
Balance as at March 31, 2017	-	1,919	100	9,118	97	65,965	538	105	(17)	77,825
Balance as at April 1, 2017	**-**	**1,919**	**100**	**9,118**	**97**	**65,965**	**538**	**105**	**(17)**	**77,825**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**25,241**	**-**	**-**	**-**	**25,241**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**86**	**(556)**	**(107)**	**(52)**	**(629)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**25,327**	**(556)**	**(107)**	**(52)**	**24,612**
Transfer to Special Economic Zone re-investment reserve	**-**	**-**	**-**	**-**	**1,579**	**(1,579)**	**-**	**-**	**-**	**-**
Transfer from Special Economic Zone re-investment reserve	**-**	**-**	**-**	**-**	**(98)**	**98**	**-**	**-**	**-**	**-**
Buyback of equity shares (Refer note 15)	**-**	**(1,919)**	**6**	**(9,118)**	**-**	**(4,963)**	**-**	**-**	**-**	**(15,994)**
Expenses for buyback of equity shares (Refer note 15)	**-**	**-**	**-**	**-**	**-**	**(42)**	**-**	**-**	**-**	**(42)**
Dividend (including tax on dividend)	**-**	**-**	**-**	**-**	**-**	**(10,726)**	**-**	**-**	**-**	**(10,726)**
Balance as at March 31, 2018	**-**	**-**	**106**	**-**	**1,578**	**74,080**	**(18)**	**(2)**	**(69)**	**75,675**

*Represents values less than ₹ 0.50 crore.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-36

As per our report of even date attached

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

Yezdi Nagporewalla
Partner
Membership number: 049265

Mumbai, April 19, 2018

For and on behalf of the Board

N. Chandrasekaran
Chairman

V. Ramakrishnan
CFO

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Director

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Director

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CEO and Managing Director

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Prof. Clayton M. Christensen
Director

N. Ganpathy Subramaniam
COO and Executive Director

Aman Mehta
Director

Dr. Pradeep Kumar Khosla
Director

Rajendra Moholkar
Company Secretary

Statements of Cash Flows

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
I CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**25,241**	23,653
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	**1,647**	1,575
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**95**	107
Tax expense	**6,690**	6,413
Finance costs	**30**	16
Net gain on disposal of property, plant and equipment	**(26)**	(6)
Exchange difference on translation of foreign currency cash and cash equivalents	**(94)**	52
Dividend income (including exchange gain)	**(2,212)**	(394)
Interest income	**(2,388)**	(2,216)
Net gain on investments	**(858)**	(596)
Operating profit before working capital changes	**28,125**	28,604
Net change in		
Inventories	**(4)**	(12)
Trade receivables	**(2,416)**	2,303
Unbilled revenue	**(1,274)**	(1,523)
Loans and other financial assets	**398**	659
Other assets	**(554)**	67
Trade payables	**585**	(34)
Unearned and deferred revenue	**585**	58
Other financial liabilities	**796**	(407)
Other liabilities and provisions	**1,391**	(117)
Cash generated from operations	**27,632**	29,598
Taxes paid (net of refunds)	**(6,045)**	(6,466)
Net cash provided by operating activities	**21,587**	23,132
II CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	**(2,000)**	-
Inter-corporate deposits placed	**(6,000)**	(2,125)
Purchase of investments	**(94,374)**	(118,283)
Payments for purchase of property, plant and equipment	**(1,606)**	(1,655)
Earmarked deposits placed with banks	**(230)**	-
Proceeds from bank deposits	**416**	-
Proceeds from inter-corporate deposits	**4,425**	3,697
Proceeds from disposal / redemption of investments	**100,063**	100,031
Proceeds from disposal of property, plant and equipment	**29**	19
Proceeds from earmarked deposits with banks	**135**	400
Dividend received from subsidiaries (including exchange gain)	**2,207**	394
Dividend received from other investments	**5**	-
Interest received	**2,564**	1,740
Net cash provided by / (used in) investing activities	**5,634**	(15,782)
III CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of equity shares	**(16,000)**	-
Expenses relating to buy-back of equity shares	**(42)**	-
Short-term borrowings (net)	**(20)**	87
Dividend paid (including tax on dividend)	**(10,726)**	(10,947)
Repayment of finance lease obligations	**(6)**	(15)
Interest paid	**(33)**	(16)
Net cash used in financing activities	**(26,827)**	(10,891)
Net change in cash and cash equivalents	**394**	(3,541)
Cash and cash equivalents at the beginning of the year	**790**	4,383
Exchange difference on translation of foreign currency cash and cash equivalents	**94**	(52)
Cash and cash equivalents at the end of the year (Refer note 13)	**1,278**	790
IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-36		

As per our report of even date attached

For and on behalf of the Board

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

Yezdi Nagporewalla
Partner
Membership number: 049265

Mumbai, April 19, 2018

N. Chandrasekaran
Chairman

V. Ramakrishnan
CFO

Dr. Ron Sommer
Director

Aarthi Subramanian
Director

Rajesh Gopinathan
CEO and Managing Director

O. P. Bhatt
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
Director

N. Ganpathy Subramaniam
COO and Executive Director

Aman Mehta
Director

Dr. Pradeep Kumar Khosla
Director

Rajendra Moholkar
Company Secretary

Notes forming part of the Financial Statements

1) Corporate information

Tata Consultancy Services Limited (referred to as "TCS Limited" or "the Company") provides consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of delivery centers around the globe. The Company's full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Consulting, Digital Enterprise Services, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON-Small and Medium Businesses, IT Infrastructure Services, IT Services and Platform Solutions.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai - 400001. As at March 31, 2018, Tata Sons Limited, the holding company owned 71.89% of the Company's equity share capital.

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

2) Significant accounting policies

(a) Statement of compliance

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

(b) Basis of preparation

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

(c) Use of estimates and judgements

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

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

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

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

Valuation of deferred tax assets

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

Notes forming part of the Financial Statements

Provisions and contingent liabilities

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

Fair value measurement of financial instruments

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

(d) Revenue recognition

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

The Company recognises revenue as follows:

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

Revenue from contracts priced on a time and material basis is recognised as services are rendered and as related costs are incurred.

Revenue from software development contracts, which are generally time bound fixed price contracts, is recognised over the life of the contract using the percentage-of-completion method, with contract costs determining the degree of completion. Losses on such contracts are recognised when probable. Revenue in excess of billings is recognised as unbilled revenue in the balance sheet; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the balance sheet.

Revenue from Business Process Services contracts priced on the basis of time and material or unit of delivery is recognised as services are rendered or the related obligation is performed.

Revenue from the sale of internally developed and manufactured systems and third party products which do not require significant modification is recognised upon delivery, which is when the absolute right to use passes to the customer and the Company does not have any material remaining service obligations.

Revenue from maintenance contracts is recognised on a pro-rata basis over the period of the contract.

Revenue is recognised only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured.

Revenue is reported net of discounts and indirect taxes.

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

(f) Leases

Finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Notes forming part of the Financial Statements

Operating lease

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

(g) Cost recognition

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

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

(h) Foreign currency

The functional currency of the Company is Indian rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(i) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

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

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

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

Deferred income taxes

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

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

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

Notes forming part of the Financial Statements

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

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(j) Financial instruments

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Hedge accounting

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

Notes forming part of the Financial Statements

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

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

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

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

(k) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

(l) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

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

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

(m) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Notes forming part of the Financial Statements

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 2-5 years on a straight line basis.

(n) Impairment

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

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

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(o) Employee benefits

(i) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

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

(ii) Defined contribution plans

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

(iii) Compensated absences

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

Notes forming part of the Financial Statements

(p) Inventories

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

(q) Earnings per share

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

3) Recent Indian Accounting Standards (Ind AS)

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

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

Ind AS 115 – Revenue from Contracts with Customers

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

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

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

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

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

Notes forming part of the Financial Statements

4) Property, plant and equipment

Property, plant and equipment consist of the following:

(₹ crores)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2017	327	6,637	1,412	392	5,130	31	1,943	1,601	1,208	18,681
Additions	-	394	311	98	673	2	139	122	120	1,859
Disposals	-	(5)	(21)	(1)	(108)	(1)	(44)	(12)	(20)	(212)
Cost as at March 31, 2018	327	7,026	1,702	489	5,695	32	2,038	1,711	1,308	20,328
Accumulated depreciation as at April 1, 2017	-	(1,444)	(862)	(73)	(4,005)	(22)	(1,401)	(778)	(882)	(9,467)
Disposals	-	4	21	1	108	1	44	11	19	209
Depreciation for the year	-	(352)	(129)	(44)	(629)	(5)	(215)	(143)	(123)	(1,640)
Accumulated depreciation as at March 31, 2018	-	(1,792)	(970)	(116)	(4,526)	(26)	(1,572)	(910)	(986)	(10,898)
Net carrying amount as at March 31, 2018	327	5,234	732	373	1,169	6	466	801	322	9,430

(₹ crores)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2016	327	6,044	1,288	320	4,649	31	1,840	1,501	1,122	17,122
Additions	-	596	133	72	607	2	119	106	104	1,739
Disposals	-	(3)	(9)	-	(126)	(2)	(16)	(6)	(18)	(180)
Cost as at March 31, 2017	327	6,637	1,412	392	5,130	31	1,943	1,601	1,208	18,681
Accumulated depreciation as at April 1, 2016	-	(1,119)	(753)	(38)	(3,509)	(19)	(1,191)	(643)	(794)	(8,066)
Disposals	-	3	9	-	115	2	15	5	18	167
Depreciation for the year	-	(328)	(118)	(35)	(611)	(5)	(225)	(140)	(106)	(1,568)
Accumulated depreciation as at March 31, 2017	-	(1,444)	(862)	(73)	(4,005)	(22)	(1,401)	(778)	(882)	(9,467)
Net carrying amount as at March 31, 2017	327	5,193	550	319	1,125	9	542	823	326	9,214

Net book value of Computer equipment of ₹ Nil (March 31, 2017: ₹ 1 crore) and Leasehold improvements of ₹ 30 crores (March 31, 2017: ₹ 36 crores) are under finance lease.

Notes forming part of the Financial Statements

5) Intangible assets

Intangible assets consist of the following:

(₹ crores)

	Rights under licensing agreement and software licences
Cost as at April 1, 2017	**68**
Additions	**-**
Disposals / derecognised	**-**
Cost as at March 31, 2018	**68**
Accumulated amortisation as at April 1, 2017	**(51)**
Disposals / derecognised	**-**
Amortisation for the year	**(7)**
Accumulated amortisation as at March 31, 2018	**(58)**
Net carrying amount as at March 31, 2018	**10**

(₹ crores)

	Rights under licensing agreement and software licences
Cost as at April 1, 2016	129
Additions	-
Disposals / derecognised	(61)
Cost as at March 31, 2017	68
Accumulated amortisation as at April 1, 2016	(105)
Disposals / derecognised	61
Amortisation for the year	(7)
Accumulated amortisation as at March 31, 2017	(51)
Net carrying amount as at March 31, 2017	17

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

(₹ crores)

Year ending March 31,	**Amortisation expense**
2019	**7**
2020	**3**
	10

Notes forming part of the Financial Statements

6) Investments

Investments consist of the following:

(A) Investments - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Investment in subsidiaries		
Fully paid equity shares (unquoted)	**2,124**	2,124
(b) Investments carried at fair value through profit or loss		
Mutual fund units (unquoted)	**59**	55
(c) Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)	**3**	22
	2,186	2,201

(B) Investments - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Investments carried at fair value through profit or loss		
Mutual fund units (unquoted)	**9,101**	18,730
(b) Investments carried at fair value through OCI		
Government securities (quoted)	**23,218**	21,999
Corporate bonds (quoted)	**2,754**	-
	35,073	40,729

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

Notes forming part of the Financial Statements

(₹ crores)

In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2018	As at March 31, 2017
			Fully paid equity shares (unquoted)		
212,27,83,424	UYU	1	TCS Iberoamerica SA	**461**	461
15,75,300	INR	10	APTOnline Limited*	**-**	-
1,300	EUR	-	Tata Consultancy Services Belgium	**1**	1
66,000	EUR	1,000	Tata Consultancy Services Netherlands BV	**403**	403
1,000	SEK	100	Tata Consultancy Services Sverige AB	**19**	19
1	EUR	-	Tata Consultancy Services Deutschland GmbH	**2**	2
20,000	USD	10	Tata America International Corporation	**453**	453
75,82,820	SGD	1	Tata Consultancy Services Asia Pacific Pte Ltd.	**19**	19
3,72,58,815	AUD	1	TCS FNS Pty Limited	**212**	212
10,00,001	GBP	1	Diligenta Limited	**429**	429
1,000	USD	-	Tata Consultancy Services Canada Inc.*	**-**	-
100	CAD	70,653.61	Tata Consultancy Services Canada Inc.	**31**	31
51,00,000	INR	10	C-Edge Technologies Limited	**5**	5
8,90,000	INR	10	MP Online Limited	**1**	1
1,40,00,000	ZAR	1	Tata Consultancy Services (Africa) (PTY) Ltd.	**66**	66
18,89,000	INR	10	MahaOnline Limited	**2**	2
-	QAR	-	Tata Consultancy Services Qatar S.S.C.	**2**	2
16,00,01,000	USD	0.01	CMC Americas, Inc.	**8**	8
10,00,000	INR	100	TCS e-Serve International Limited	**10**	10
10,00,000	INR	10	TCS Foundation	**-**	-
				2,124	2,124

In Numbers	Currency	Face value per share	Investments designated at fair value through OCI	As at March 31, 2018	As at March 31, 2017
			Fully paid equity shares (unquoted)		
1,90,00,000	INR	10	Taj Air Limited	**19**	19
20,00,000	INR	10	KOOH Sports Private Limited	**3**	3
			Less : Impairment of investments	**(19)**	-
				3	22

*Represents value less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

7) Loans

Loans (unsecured) consist of the following:

(A) Loans - Non-current

(₹ crores)

		As at March 31, 2018	As at March 31, 2017
	Considered good		
(a)	Loans and advances to employees	**3**	6
(b)	Inter-corporate deposits	**1,500**	-
		1,503	6

(B) Loans - Current

(₹ crores)

		As at March 31, 2018	As at March 31, 2017
	Considered good		
(a)	Loans and advances to employees	**293**	279
(b)	Inter-corporate deposits	**2,500**	2,425
	Considered doubtful		
(a)	Loans and advances to employees	**61**	56
	Less: Allowance for loans and advances to employees	**(61)**	(56)
		2,793	2,704

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

8) Other financial assets

Other financial assets consist of the following:

(A) Other financial assets - Non-current

(₹ crores)

		As at March 31, 2018	As at March 31, 2017
(a)	Security deposits	**504**	638
		504	638

(B) Other financial assets - Current

(₹ crores)

		As at March 31, 2018	As at March 31, 2017
(a)	Interest receivable	**520**	697
(b)	Fair value of foreign exchange derivative assets	**89**	572
(c)	Security deposits	**181**	119
(d)	Others	**17**	30
		807	1,418

Notes forming part of the Financial Statements

9) Income taxes

The income tax expense consists of the following:

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax expense for current year	**6,966**	6,762
Current tax benefit pertaining to prior years	**(88)**	(119)
	6,878	6,643
Deferred tax benefit	**(217)**	(230)
Deferred tax expense pertaining to prior years	**29**	-
Total income tax expense recognised in the current year	**6,690**	6,413

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

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before income taxes	**31,930**	30,066
Indian statutory income tax rate	**34.61%**	34.61%
Expected income tax expense	**11,050**	10,406
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax holidays	**(4,247)**	(4,134)
Income exempt from tax	**(36)**	(27)
Undistributed earnings in branches	**113**	(60)
Tax on income at different rates	**(236)**	166
Tax pertaining to prior years	**(242)**	(218)
Others (net)	**288**	280
Total income tax expense	**6,690**	6,413

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 1, 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Notes forming part of the Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ crores)

	Opening balance	Recognised / reversed through profit or loss	Recognised in / reclassified from other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment and Intangible assets	(84)	151	-	67
Provision for employee benefits	296	15	-	311
Cash flow hedges	(12)	-	22	10
Receivables, loans and advances	205	33	-	238
MAT credit entitlement	2,062	142	-	2,204
Branch profit tax	(286)	(114)	-	(400)
Unrealised gain / (loss) on securities carried at fair value through profit or loss / OCI	(285)	1	284	-
Others	237	(40)	-	197
Total	2,133	188	306	2,627

Gross deferred tax assets and liabilities are as follows:

(₹ crores)

As at March 31, 2018	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment and Intangible assets	91	(24)	67
Provision for employee benefits	311	-	311
Cash flow hedges	10	-	10
Receivables, loans and advances	238	-	238
MAT credit entitlement	2,204	-	2,204
Branch profit tax	-	(400)	(400)
Unrealised gain / (loss) on securities carried at fair value through profit or loss / OCI	-	-	-
Others	197	-	197
Total	3,051	(424)	2,627

Notes forming part of the Financial Statements

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

(₹ crores)

	Opening balance	Recognised / reversed through profit or loss	Recognised in / reclassified from other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment and Intangible assets	(22)	(62)	-	(84)
Provision for employee benefits	238	58	-	296
Cash flow hedges	(7)	-	(5)	(12)
Receivables, loans and advances	183	22	-	205
MAT credit entitlement	1,960	102	-	2,062
Branch profit tax	(346)	60	-	(286)
Unrealised gain / (loss) on securities carried at fair value through profit or loss / OCI	(27)	(2)	(256)	(285)
Others	185	52	-	237
Total	2,164	230	(261)	2,133

Gross deferred tax assets and liabilities are as follows:

(₹ crores)

As at March 31, 2017	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment and Intangible assets	(56)	(28)	(84)
Provision for employee benefits	296	-	296
Cash flow hedges	(12)	-	(12)
Receivables, loans and advances	205	-	205
MAT credit entitlement	2,062	-	2,062
Branch profit tax	-	(286)	(286)
Unrealised gain / (loss) on securities carried at fair value through profit or loss / OCI	(285)	-	(285)
Others	237	-	237
Total	2,447	(314)	2,133

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. Accordingly, the Company has recognised a deferred tax asset of ₹ 2,204 crores.

The Company has ongoing disputes with Income Tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company as deductions, and computation of, or eligibility of, certain tax incentives or allowances.

As at March 31, 2018, the Company has contingent liability in respect of demands from direct tax authorities in India and other jurisdictions, which are being contested by the Company on appeal amounting ₹ 5,616 crores

Notes forming part of the Financial Statements

(March 31, 2017: ₹ 2,688 crores). In respect of tax contingencies of ₹ 318 crores (March 31, 2017: ₹ 318 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

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

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

10) Other assets

Other assets consist of the following:

(A) Other assets - Non-current

(₹ crores)

		As at March 31, 2018	As at March 31, 2017
	Considered good		
(a)	Capital advances	**105**	142
(b)	Advances to related parties	**2**	6
(c)	Prepaid expenses	**332**	191
(d)	Prepaid rent	**373**	228
(e)	Indirect taxes recoverable	**-**	4
(f)	Others	**3**	8
		815	579
	Advances to related parties, considered good, comprise:		
	Voltas Limited	**2**	6
	Tata Realty and Infrastructure Ltd*	**-**	-

*Represents value less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

(B) Other assets - Current

(₹ crores)

		As at March 31, 2018	As at March 31, 2017
	Considered good		
(a)	Prepaid expenses	**1,162**	1,101
(b)	Prepaid rent	**39**	17
(c)	Advance to suppliers	**84**	148
(d)	Advance to related parties	**4**	1
(e)	Indirect taxes recoverable	**482**	262
(f)	Other advances	**20**	13
(g)	Others	**34**	5
	Considered doubtful		
(a)	Advance to suppliers	**3**	3
(b)	Indirect taxes recoverable	**2**	2
(c)	Other advances	**3**	3
	Less : Allowance for doubtful advances	**(8)**	(8)
		1,825	1,547
	Advances to related parties, considered good, comprise:		
	Tata Consultancy Services Danmark ApS	**1**	-
	Tata AIG General Insurance Company Limited	**1**	-
	The Titan Company Limited	**2**	1

11) Inventories

Inventories consist of the following:

(₹ crores)

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

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

*Represents values less than ₹ 0.50 crore.

12) Trade receivables (Unsecured)

Trade receivables (unsecured) consist of the following:

(A) Trade receivables – Non-current

(₹ crores)

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

Notes forming part of the Financial Statements

(B) Trade receivables - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Considered good	**18,882**	16,582
(b) Considered doubtful	**284**	284
	19,166	16,866
Less: Allowance for doubtful receivables	**(284)**	(284)
	18,882	16,582

Above balances of trade receivables include balances with related parties (Refer note 35).

13) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Balances with banks		
In current accounts	**1,211**	724
In deposit accounts	**2**	-
(b) Cheques on hand	**3**	5
(c) Cash on hand*	**-**	1
(d) Remittances in transit	**62**	60
	1,278	790

*Represents value less than ₹ 0.50 crore.

14) Other balances with banks

Other balances with banks consist of the following:

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Earmarked balances with banks	**209**	111
(b) Short-term bank deposits	**2,000**	415
	2,209	526

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

Notes forming part of the Financial Statements

15) Share capital

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

(₹ crores)

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

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

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

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

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

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

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

Equity shares

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

Notes forming part of the Financial Statements

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

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Equity shares		
Holding Company		
137,61,18,911 equity shares (March 31, 2017 : 144,34,51,698 equity shares) are held by Tata Sons Limited	**138**	144
Subsidiaries and Associates of Holding Company		
3,610 equity shares (March 31, 2017 : 3,700 equity shares) are held by Tata Industries Limited*	**-**	-
2,06,000 equity share (March 31, 2017 : NIL equity shares) are held by Tata AIG Life Insurance Company Limited*	**-**	-
7,76,533 equity shares (March 31, 2017 : 8,57,301 equity shares) are held by Tata AIA Life Insurance Company Limited*	**-**	-
5,27,110 equity shares (March 31, 2017 : 5,50,000 equity shares) are held by Tata Investment Corporation Limited*	**-**	-
23,804 equity shares (March 31, 2017 : 24,400 equity shares) are held by Tata Steel Limited*	**-**	-
383 equity shares (March 31, 2017 : 452 equity shares) are held by The Tata Power Company Limited*	**-**	-
Nil equity shares (March 31, 2017 : 484,902 equity shares*) are held by AF-taab Investment Company Limited	**-**	-
Total	**138**	144

*Equity shares having value less than ₹ 0.50 crore.

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

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

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

(a) Equity shares extinguished on buy-back

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

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

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

Notes forming part of the Financial Statements

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

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

16) Other equity

Other equity consist of the following:

(₹ crores)

			As at March 31, 2018	As at March 31, 2017
(a)	Capital reserve#		**-**	-
(b)	Securities premium			
	(i)	Opening balance	**1,919**	1,919
	(ii)	Utilisation for buyback of equity shares*	**(1,919)**	-
			-	1,919
(c)	Capital redemption reserve			
	(i)	Opening balance	**100**	100
	(ii)	Transfer from retained earnings*	**6**	-
			106	100
(d)	General reserve			
	(i)	Opening balance	**9,118**	9,118
	(ii)	Utilisation for buyback of equity shares*	**(9,118)**	-
			-	9,118
(e)	Special Economic Zone re-investment reserve			
	(i)	Opening balance	**97**	-
	(ii)	Transfer from retained earnings	**1,579**	376
	(iii)	Transfer to retained earnings	**(98)**	(279)
			1,578	97
(f)	Retained earnings			
	(i)	Opening balance	**65,965**	53,576
	(ii)	Profit for the year	**25,241**	23,653
	(iii)	Remeasurement of defined employee benefit plans	**86**	(200)
	(iv)	Realised (losses) / gain on equity shares carried at fair value through OCI	**-**	(20)
	(v)	Transfer from Special Economic Zone re-investment reserve	**98**	279
	(vi)	Utilisation for buyback of equity shares*	**(4,957)**	-
	(vii)	Expenses relating to buyback of equity shares*	**(42)**	-
			86,391	77,288

Notes forming part of the Financial Statements

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(viii) Less : Appropriations		
(a) Dividend on equity shares	**9,284**	9,162
(b) Tax on dividend	**1,442**	1,785
(c) Transfer to capital redemption reserve*	**6**	-
(d) Transfer to Special Economic Zone re-investment reserve	**1,579**	376
	74,080	65,965
(g) Investment revaluation reserve		
(i) Opening balance	**538**	54
(iii) Change during the year (net)	**(556)**	484
	(18)	538
(h) Cash flow hedging reserve (Refer note 29(b))		
(i) Opening balance	**88**	49
(ii) Change during the year (net)	**(159)**	39
	(71)	88
	75,675	77,825

*Refer note 15.

#Represents value less than ₹ 0.50 crore.

Movement in Investment revaluation reserve

(₹ crores)

Investment revaluation reserve	As at March 31, 2018	As at March 31, 2017
Net gain / (loss) arising on revaluation of financial assets carried at fair value	**(19)**	(20)
Net cumulative gain / (loss) reclassified to retained earnings on sale of financial assets carried at fair value	**-**	20
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	**(625)**	740
Deferred tax relating to gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	**216**	(256)
Net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value	**(196)**	-
Deferred tax relating to net cumulative (gain) / loss reclassified to profit or loss on sale of investments other than equities carried at fair value	**68**	-
	(556)	484

Notes forming part of the Financial Statements

Nature of reserves

(a) **Capital reserve**

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

(b) **Securities premium**

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

(c) **General reserve**

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

(d) **Investment revaluation reserve**

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

(e) **Cash flow hedging reserve**

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

(f) **Capital redemption reserve**

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

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

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

17) Borrowings

Borrowings consist of the following:

(A) Borrowings - Non-current (Secured)

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Long-term maturities of finance lease obligations	**39**	44
	39	44

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

Notes forming part of the Financial Statements

(B) Borrowings - Current (Unsecured)

(₹ crores)

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

18) Other financial liabilities

Other financial liabilities consist of the following:

(A) Other financial liabilities - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Capital creditors	**18**	17
(b) Others	**228**	228
	246	245

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

(B) Other financial liabilities - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Accrued payroll	**1,667**	684
(b) Current maturities of finance lease obligations	**5**	6
(c) Unclaimed dividends	**28**	25
(d) Fair value of foreign exchange derivative liabilities	**91**	20
(e) Capital creditors	**245**	272
(f) Liability towards customer contracts	**669**	834
(g) Others	**34**	105
	2,739	1,946

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

Notes forming part of the Financial Statements

19) Provisions

Provisions consist of the following:

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(A) Provisions - Non-current		
Provision for foreseeable loss	**26**	39
	26	39
(B) Provisions - Current		
Provision for foreseeable loss	**41**	66
Other provisions	**130**	-
	171	66

20) Other liabilities

Other liabilities consist of the following:

(A) Other liabilities - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Operating lease liabilities	**335**	330
	335	330

(B) Other liabilities - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Advance received from customers	**556**	49
(b) Indirect tax payable and other statutory liabilities	**1,111**	629
(c) Operating lease liabilities	**84**	49
(d) Others	**108**	24
	1,859	751

21) Revenue from operations

Revenue from operations includes ₹ 2,206 crores for the year ended March 31, 2018 (₹ 1,902 crores for year ended March 31, 2017) towards sale of equipment and software licences.

Notes forming part of the Financial Statements

22) Other income (net)

Other income (net) consist of the following:

(₹ crores)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Interest income	**2,388**	2,216
(b)	Dividend income	**2,207**	394
(c)	Net gain on investments carried at fair value through profit and loss	**662**	596
(d)	Net gain on sale of investments other than equity shares carried at fair value through OCI	**196**	-
(e)	Net gain on disposal of property, plant and equipment	**26**	6
(f)	Net foreign exchange gains	**265**	1,303
(g)	Rent income	**5**	5
(h)	Other income	**54**	48
		5,803	4,568
Interest income comprise:			
	Interest on bank and bank deposits	**41**	94
	Interest income on financial assets carried at amortised cost	**210**	390
	Interest income on financial assets carried at fair value through OCI	**1,727**	1,598
	Other interest (including interest on income tax refunds)	**410**	134
Dividend income comprise:			
	Dividends from subsidiaries	**2,202**	394
	Dividend from investments carried at fair value through profit and loss	**5**	-

23) Employee benefits

Employee benefit expenses consist of the following:

(₹ crores)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Salaries, incentives and allowances	**47,004**	43,876
(b)	Contributions to provident and other funds	**3,165**	2,984
(c)	Staff welfare expenses	**1,330**	1,256
		51,499	48,116

Notes forming part of the Financial Statements

Employee benefit obligation consist of the following:

(A) Employee benefit obligation - Non-current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Gratuity liability	**-**	-
(b) Other employee benefit obligation	**62**	63
	62	63

(B) Employee benefit obligation - Current

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
(a) Compensated absences	**1,461**	1,283
(b) Other employee benefit obligation	**17**	93
	1,478	1,376

Employee benefit plans

Gratuity and pension

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Change in benefit obligations		
Benefit obligations, beginning of the year	**2,083**	1,632
Service cost	**273**	241
Interest cost	**159**	138
Remeasurement of the net defined benefit liability	**(86)**	200
Past service cost / (credit)	**-**	-
Benefits paid	**(122)**	(128)
Benefit obligations, end of the year	**2,307**	2,083

Notes forming part of the Financial Statements

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Change in plan assets		
Fair value of plan assets, beginning of the year	**2,156**	1,746
Interest income	**165**	145
Employer's contributions	**233**	393
Benefits paid	**(122)**	(128)
Remeasurement - return on plan assets excluding amount included in interest income	**-**	-
Fair value of plan assets, end of the year	**2,432**	2,156

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Funded status		
Deficit of plan assets over obligations	**-**	-
Surplus of plan assets over obligations	**125**	73
	125	73

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Category of assets		
Corporate bonds	**560**	731
Equity shares	**116**	95
Government securities	**996**	621
Insurer managed funds	**713**	691
Bank balances	**5**	3
Others	**42**	15
Total	**2,432**	2,156

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Service cost	**273**	241
Net interest on net defined benefit (asset) / liability	**(6)**	(7)
Past service cost / (credit)	**-**	-
Net periodic gratuity cost	**267**	234
Actual return on plan assets	**165**	145

Notes forming part of the Financial Statements

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Actuarial losses and (gains) arising from changes in demographic assumptions	**16**	(2)
Actuarial (gains) and losses arising from changes in financial assumptions	**(85)**	71
Actuarial losses and (gains) arising from changes in experience adjustments	**(17)**	131
Remeasurement of the net defined benefit liability	**(86)**	200
Remeasurement - return on plan assets excluding amount included in interest income*	**-**	-
Total	**(86)**	200

*Represents value less than ₹ 0.50 crore.

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

	As at March 31, 2018	As at March 31, 2017
Discount rate	**7.75%**	7.25%
Rate of increase in compensation levels of covered employees	**6.00%**	6.00%
Rate of return on plan assets	**7.75%**	7.25%
Weighted average duration of defined benefit obligations	**8 years**	8 years

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2018. The Company is expected to contribute ₹ 147 crores to defined benefit plan obligations funds for the year ending March 31, 2019.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.50%, the defined benefit obligations would decrease by ₹ 79 crores (increase by ₹ 85 crores) as at March 31, 2018.

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by ₹ 85 crores (decrease by ₹ 80 crores) as at March 31, 2018.

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

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

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

Notes forming part of the Financial Statements

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

(₹ crores)

Year ending March 31,	Defined benefit obligations
2019	**225**
2020	**211**
2021	**218**
2022	**216**
2023	**216**
Thereafter	**867**

Provident fund

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

The details of fund and plan assets are given below:

(₹ crores)

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

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

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

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

The Company contributed ₹ 795 crores (March 31, 2017: ₹ 756 crores) to the provident fund during the year ended March 31, 2018.

Superannuation

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

Notes forming part of the Financial Statements

The Company contributed ₹ 222 crores (March 31, 2017: ₹ 221 crores) to the Employees' Superannuation Fund for the year ended March 31, 2018.

Foreign Defined Contribution Plan

The Company contributed ₹ 331 crores (March 31, 2017: ₹ 304 crores) during the year ended March 31, 2018 towards foreign defined contribution plan.

24) Other operating expenses

Other operating expenses consist of the following:

(₹ crores)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Fees to external consultants	**6,415**	6,566
(b)	Facility expenses	**3,079**	2,783
(c)	Travel expenses	**2,179**	2,181
(d)	Communication expenses	**710**	701
(e)	Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**95**	107
(f)	Other expenses	**3,568**	3,392
		16,046	15,730

25) Cost of equipment and software licences

(₹ crores)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Raw materials, sub-assemblies and components consumed	**86**	94
(b)	Equipment and software licences purchased	**1,920**	1,664
		2,006	1,758
	Finished goods and work-in-progress		
	Opening stock	**1**	-
	Less: Closing stock	**-**	1
		1	(1)

26) Research and development expenditure aggregating ₹ 295 crores (March 31, 2017: ₹ 282 crores), including capital expenditure was incurred during the year.

27) During the year, the Company has incurred an amount of ₹ 400 crores (March 31, 2017: ₹ 380 crores) towards Corporate Social Responsibility expenditure.

28) Leases

The Company has taken on lease properties and equipment under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were ₹ 1,431 crores and ₹ 1,213 crores for the year ended March 31, 2018 and March 31, 2017 respectively.

Notes forming part of the Financial Statements

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

Operating lease

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Due within one year	**557**	482
Due in a period between one year and five years	**1,973**	1,547
Due after five years	**2,443**	1,012
Total minimum lease commitments	**4,973**	3,041

Finance lease

(₹ crores)

	As at March 31, 2018		As at March 31, 2017	
	Minimum lease commitments	Present value of minimum lease commitments	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	**11**	**5**	14	6
Due in a period between one year and five years	**46**	**30**	46	25
Due after five years	**10**	**9**	21	19
Total minimum lease commitments	**67**	**44**	81	50
Less: Interest	**(23)**		(31)	
Present value of minimum lease commitments	**44**		50	

Receivables under sub-leases

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Not later than one year	**5**	4
Later than one year but not later than five years	**15**	16
Later than five years	**3**	6
Total	**23**	26

Income under sub-leases of ₹ 5 crores and ₹ 5 crores have been recognised in the statement of profit and loss for the year ended March 31, 2018 and March 31, 2017.

29) Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(j) to the financial statements.

Notes forming part of the Financial Statements

(a) Financial assets and liabilities

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

(₹ crores)

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial Assets						
Cash and cash equivalents	-	-	-	-	1,278	1,278
Earmarked balances with banks	-	-	-	-	209	209
Bank deposits	-	-	-	-	2,000	2,000
Investments (Other than in subsidiary)	9,160	25,975	-	-	-	35,135
Trade receivables	-	-	-	-	18,976	18,976
Unbilled revenues	-	-	-	-	5,509	5,509
Loans*	-	-	-	-	4,296	4,296
Other financial assets	-	-	34	55	1,222	1,311
Total	9,160	25,975	34	55	33,490	68,714
Financial Liabilities						
Trade payables	-	-	-	-	4,775	4,775
Borrowings	-	-	-	-	220	220
Other financial liabilities	-	-	25	66	2,894	2,985
Total	-	-	25	66	7,889	7,980

*Loans include inter-corporate deposits of ₹ 4,000 crores, with original maturity period within 24 months.

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

(₹ crores)

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial Assets						
Cash and cash equivalents	-	-	-	-	790	790
Earmarked balances with banks	-	-	-	-	111	111
Bank deposits	-	-	-	-	415	415
Investments (Other than in subsidiary)	18,785	22,021	-	-	-	40,806
Trade receivables	-	-	-	-	16,649	16,649
Unbilled revenues	-	-	-	-	4,235	4,235
Loans*	-	-	-	-	2,710	2,710
Other financial assets	-	-	140	432	1,484	2,056
Total	18,785	22,021	140	432	26,394	67,772
Financial Liabilities						
Trade payables	-	-	-	-	4,190	4,190
Borrowings	-	-	-	-	244	244
Other financial liabilities	-	-	-	20	2,171	2,191
Total	-	-	-	20	6,605	6,625

*Loans include inter-corporate deposits of ₹ 2,425 crores, with original maturity period within 15 months.

Notes forming part of the Financial Statements

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

Fair value hierarchy

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

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

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

(₹ crores)

As at March 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Mutual fund units	**9,101**	**59**	**-**	**9,160**
Equity shares	**-**	**-**	**3**	**3**
Government securities	**23,218**	**-**	**-**	**23,218**
Corporate bonds	**-**	**2,754**	**-**	**2,754**
Derivative financial assets	**-**	**89**	**-**	**89**
Total	**32,319**	**2,902**	**3**	**35,224**
Financial liabilities				
Derivative financial liabilities	**-**	**91**	**-**	**91**
Total	**-**	**91**	**-**	**91**

(₹ crores)

As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	18,785	-	-	18,785
Equity shares	-	-	22	22
Government securities	21,999	-	-	21,999
Derivative financial assets	-	572	-	572
Total	40,784	572	22	41,378
Financial liabilities				
Derivative financial liabilities	-	20	-	20
Total	-	20	-	20

Notes forming part of the Financial Statements

Reconciliation of Level 3 fair value measurement is as follows:

(₹ crores)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	**22**	47
Impairment during the year	**(19)**	-
Disposals during the year	**-**	(25)
Balance at the end of the year	**3**	22

(b) Derivative financial instruments and hedging activity

The Company's revenue is denominated in foreign currency predominantly US Dollar, Sterling Pound and Euro. In addition to these currencies, the Company also does business in Australian Dollar, Canadian Dollar, Swiss Franc, Japanese Yen, Norwegian Krone, Swedish Krona, South African Rand, Singapore Dollar, Saudi Arabian Riyal, Danish Kroner and Brazilian Real. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Company to currency fluctuations.

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

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

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

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

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

Notes forming part of the Financial Statements

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

(₹ crores)

	Year ended March 31, 2018		Year ended March 31, 2017	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	**105**	**(17)**	68	(19)
(Gains) / losses transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	**(127)**	**340**	(743)	235
Deferred tax on (gains) / losses transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	**15**	**(40)**	104	(31)
Changes in the fair value of effective portion of cash flow hedges	**5**	**(399)**	784	(232)
Deferred tax on fair value of effective portion of cash flow hedges	**-**	**47**	(108)	30
Balance at the end of the year	**(2)**	**(69)**	105	(17)

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

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

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

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

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

(₹ crores)

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

(c) Financial risk management

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

(i) Market risk

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

Notes forming part of the Financial Statements

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Company.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in note 29(b).

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

(₹ crores)

	USD	GBP	EUR	Others*	Total
Total financial assets	**3,783**	**944**	**431**	**1,218**	**6,376**
Total financial liabilities	**3,077**	**761**	**323**	**541**	**4,702**

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately ₹ 168 crores for the year ended March 31, 2018.

The following table sets forth information relating to foreign currency exposure as at March 31, 2017:

(₹ crores)

	USD	GBP	EUR	Others*	Total
Total financial assets	2,544	815	214	1,227	4,800
Total financial liabilities	2,225	620	237	599	3,681

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately ₹ 112 crores for the year ended March 31, 2017.

*Others include Australian Dollar, Saudi Arabian Riyal, Danish Kroner, Brazilian Real, Mexican Peso, United Arab Emirates Dirham, Swedish Kroner, South African Rand, Swiss Franc, Norwegian Kroner etc.

(b) Interest rate risk

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

(ii) Credit risk

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

Notes forming part of the Financial Statements

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹ 4,000 crores are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹ 2,000 crores held with an Indian bank having high quality credit rating which are individually in excess of 10% or more of the Company's total bank deposits for the year ended March 31, 2018. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 68,711 crores and ₹ 67,749 crores as at March 31, 2018, and March 31, 2017, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, unbilled revenue and other financial assets.

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

Geographic concentration of credit risk

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

	As at March 31, 2018		As at March 31, 2017	
	Gross %	Net %	Gross %	Net %
United States of America	**39.37**	**40.41**	37.07	38.03
India	**19.47**	**17.87**	21.01	19.48
United Kingdom	**17.18**	**17.35**	17.31	17.47

Geographical concentration of trade receivables and unbilled revenue is allocated based on the location of the customers.

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

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

(₹ crores)

March 31, 2018	**Due in 1st year**	**Due in 2nd year**	**Due in 3rd to 5th year**	**Due after 5 years**	**Total**
Non-derivative financial liabilities					
Trade payables	**4,775**	**-**	**-**	**-**	**4,775**
Borrowings	**181**	**12**	**34**	**10**	**237**
Other financial liabilities	**2,648**	**19**	**227**	**-**	**2,894**
Total	**7,604**	**31**	**261**	**10**	**7,906**
Derivative financial liabilities					
Derivative financial liabilities	**91**	**-**	**-**	**-**	**91**
Total	**91**	**-**	**-**	**-**	**91**

Notes forming part of the Financial Statements

(₹ crores)

March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities					
Trade payables	4,874	-	-	-	4,874
Borrowings	200	11	34	21	266
Other financial liabilities	1,926	13	231	1	2,171
Total	7,000	24	265	22	7,311
Derivative financial liabilities					
Derivative financial liabilities	20	-	-	-	20
Total	20	-	-	-	20

30) Earnings Per Share (EPS)

	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year (₹ crores)	**25,241**	23,653
Weighted average number of equity shares	**192,45,92,806**	197,04,27,941
Earning per share basic and diluted (₹)	**131.15**	120.04
Face value per equity share (₹)	**1**	1

31) Auditors remuneration

(₹ crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Services as statutory auditors (including quarterly audits)	**7**	5
Audit of financial statements as per IFRS	**-**	3
Tax audit	**1**	1
Services for tax matters	**-***	1
SSAE 16 and other matters	**4**	3
Reimbursement of out-of-pocket expenses	**-***	-*
Indirect tax	**2**	2

Indirect tax credit has been / will be availed.

*Represents values less than ₹ 0.50 crore.

32) Segment information

The Company publishes the unconsolidated financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108 – Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

33) Commitments and contingencies

Capital commitments

The Company has contractually committed (net of advances) ₹ 760 crores as at March 31, 2018 (March 31, 2017: ₹ 1,493 crores) for purchase of property, plant and equipment.

Contingencies

Direct tax matters

Refer note 9

Notes forming part of the Financial Statements

Indirect tax matters

The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. As at March 31, 2018, the Company has demands amounting to ₹ 275 crores (March 31, 2017: ₹ 253 crores) from various indirect tax authorities which are being contested by the Company based on management evaluation and on the advice of tax consultants.

Other claims

As at March 31, 2018, claims aggregating ₹ 2,977 crores (March 31, 2017: ₹ 6,276 crores) against the Company have not been acknowledged as debts.

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

Bank guarantees and letters of comfort

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

The Company has provided guarantees to third parties on behalf of its subsidiaries aggregating ₹ 4,343 crores (March 31, 2017: ₹ 2,127 crores). The Company does not expect any outflow of resources in respect of the above.

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

34) Micro and small enterprises

(₹ crores)

	As at March 31, 2018		As at March 31, 2017	
	Principal	**Interest**	Principal	Interest
Amount due to vendor	**6**	**-**	11	-
Principal amount paid (includes unpaid) beyond the appointed date	**18**	**-**	192	-
Interest due and payable for the year*	**-**	**-**	-	-
Interest accrued and remaining unpaid (includes interest disallowable of ₹ * crores (March 31, 2017: ₹ 3 crores))	**-**	**-**	-	3

*Represents value less than ₹ 0.50 crore.

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.

Notes forming part of the Financial Statements

35) Related party transactions

The Company's principal related parties consist of its holding company Tata Sons Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

Year ended March 31, 2018

(₹ crores)

	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Revenue from operations	13	57,747	260	1,992	-	60,012
Interest income	-	-*	-	-*	-	-
Dividend income	-	2,201	-	-	-	2,201
Rent income	-	5	-	-*	-	5
Other income	-	34	-	-*	-	34
Purchase of goods, services (including reimbursement)	5	3,009	31	549	-	3,594
Brand equity contribution	114	-	-	-	-	114
Facility expenses	1	8	34	6	-	49
Bad debts and advances written off, allowances for doubtful trade receivables, advances (net)	-*	-*	5	5	-	10
Contribution to post employment benefit plan	-	-	-	-	818	818
Purchase of property, plant and equipment	-	-	6	45	-	51
Loans and advances given	-	1	-*	-*	-	1
Loans and advances repaid	-	-	-*	5	-	5
Dividend paid	6,826	-	3	2	-	6,831
Guarantees given	-	1,873	-	-	-	1,873
Buy-back of shares	10,278	-	7	21	-	10,306
Cost recovery	-	2,045	-	-	-	2,045

*Represents value less than ₹ 0.50 crore.

Notes forming part of the Financial Statements

Year ended March 31, 2017

(₹ crores)

	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Revenue from operations	4	57,787	246	2,162	-	60,199
Interest income	-	-*	-	-*	-	-*
Dividend income	-	394	-	-	-	394
Rent income	-	5	-	-	-	5
Other income	-	38	-	-	-	38
Purchase of goods, services (including reimbursement)	4	2,769	544	634	-	2,273
Brand equity contribution	89	-	-	-	-	89
Facility expenses	1	18	33	5	-	57
Bad debts and advances written off, allowances for doubtful trade receivables, advances (net)	-*	-*	4	5	-	9
Contribution to post employment benefit plan	-	-	-	-	963	963
Purchase of property, plant and equipment	-	-*	21	33	-	54
Loans and advances given	-	-	-	7	-	7
Loans and advances repaid	-	7	1	-	-	8
Dividend paid	6,712	-	8	3	-	6,723
Guarantees given	-	2	-	-	-	2
Cost recovery	-	1,678	-	-	-	1,678

*Represents value less than ₹ 0.50 crore.

Balances receivable from related parties are as follows:

As at March 31, 2018

(₹ crores)

	Tata Sons Limited	**Subsidiaries of the Company**	**Subsidiaries of Tata Sons Limited**	**Associates / Joint ventures of Tata Sons Limited and its subsidiaries**	**Other related parties**	**Total**
Trade receivables (net)	**8**	**10,140**	**122**	**637**	**-**	**10,907**
Loans, other financial assets and other assets	**3**	**1**	**27**	**7**	**-**	**38**
Investments	**-**	**-**	**-**	**-**	**-**	**-**
	12	**10,141**	**149**	**644**	**-**	**10,945**

Notes forming part of the Financial Statements

As at March 31, 2017

(₹ crores)

	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and its subsidiaries	Other related parties	Total
Trade receivables (net)	1	9,890	128	626	-	10,645
Loans, other financial assets and other assets	3	1	26	14	-	44
Investments	-	-	19	-	-	19
	4	9,891	173	640	-	10,707

Balances payable to related parties are as follows:

As at March 31, 2018

(₹ crores)

	Tata Sons Limited	**Subsidiaries of the Company**	**Subsidiaries of Tata Sons Limited**	**Associates / Joint ventures of Tata Sons Limited and their subsidiaries**	**Other related parties**	**Total**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**90**	**2,006**	**22**	**203**	**-**	**2,321**
Guarantees and commitments	**-**	**4,343**	**-**	**-**	**-**	**4,343**
	90	**6,349**	**22**	**203**	**-**	**6,664**

As at March 31, 2017

(₹ crores)

	Tata Sons Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Limited	Associates / Joint ventures of Tata Sons Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	82	1,653	25	150	-	1,910
Guarantees and commitments	-	2,127	24	71	-	2,222
	82	3,780	49	221	-	4,132

Refer consolidated financial statements for list of related parties where control exists.

Notes forming part of the Financial Statements

Compensation to key management personnel is as follows:

(₹ crores)

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

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

36) Subsequent events

Dividends

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

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

Bonus issue

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

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

₹ crores

Sr. No.	Name of the Subsidiary Company	Date of becoming subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of shareholding	Country
1	APTOnline Limited	August 9, 2004	April 1, 2017	March 31, 2018	INR	1.000000	2	76	169	91	15	144	37	13	24	12	89%	India
2	MP Online Limited	September 8, 2006	April 1, 2017	March 31, 2018	INR	1.000000	1	85	113	27	44	105	34	12	22	11	89%	India
3	C-Edge Technologies Limited	January 19, 2006	April 1, 2017	March 31, 2018	INR	1.000000	10	156	233	67	-	257	83	28	55	25	51%	India
4	MahaOnline Limited	September 23, 2010	April 1, 2017	March 31, 2018	INR	1.000000	3	56	150	91	-	104	23	8	15	7	74%	India
5	CMC Americas, Inc.	August 9, 2004	April 1, 2017	March 31, 2018	USD	65.037500	10	60	163	93	-	254	53	17	36	-	100%	USA
6	CMC eBiz, Inc.	January 27, 2011	April 1, 2017	March 31, 2018	USD	65.037500	-	-	-	-	-	-	-	-	-	-	100%	USA
7	TCS e-Serve International Limited	December 31, 2008	April 1, 2017	March 31, 2018	INR	1.000000	10	196	791	585	64	157	68	24	44	-	100%	India
8	TCS e-Serve America, Inc.	February 10, 2009	April 1, 2017	March 31, 2018	USD	65.037500	2	21	65	42	-	178	15	-	15	-	100%	USA
9	Diligenta Limited	August 23, 2005	April 1, 2017	March 31, 2018	GBP	92.210180	9	726	1,114	379	470	1,756	70	15	55	-	100%	UK
10	Tata Consultancy Services Canada Inc.	October 1, 2009	April 1, 2017	March 31, 2018	CAD	50.412759	36	593	1,288	659	-	4,287	378	101	277	-	100%	Canada
11	Tata America International Corporation	August 9, 2004	April 1, 2017	March 31, 2018	USD	65.037500	1	3,149	11,631	8,481	49	53,314	1,296	504	792	-	100%	USA
12	Tata Consultancy Services Asia Pacific Pte Ltd.	August 9, 2004	April 1, 2017	March 31, 2018	USD	65.037500	29	452	884	403	491	1,624	191	15	176	-	100%	Singapore
13	Tata Consultancy Services (China) Co., Ltd.	November 16, 2006	January 1, 2017	December 31, 2017	CNY	10.339332	209	(65)	252	108	-	558	(51)	(1)	(50)	-	93.20%	China
14	Tata Consultancy Services Japan, Ltd.	July 1, 2014	April 1, 2017	March 31, 2018	JPY	0.615681	266	724	1,907	917	-	4,048	190	63	127	-	51%	Japan
15	Tata Consultancy Services Malaysia Sdn Bhd	August 9, 2004	April 1, 2017	March 31, 2018	MYR	16.830780	3	126	205	76	-	506	37	14	23	-	100%	Malaysia
16	PT Tata Consultancy Services Indonesia	October 5, 2006	April 1, 2017	March 31, 2018	IDR	0.004725	-	29	42	13	-	67	20	5	15	-	100%	Indonesia
17	Tata Consultancy Services (Philippines) Inc.	September 19, 2008	April 1, 2017	March 31, 2018	PHP	1.242668	(34)	197	238	75	-	436	26	1	25	-	100%	Philippines
18	Tata Consultancy Services (Thailand) Limited	May 12, 2008	April 1, 2017	March 31, 2018	THB	2.082066	2	18	24	4	-	39	7	1	6	-	100%	Thailand
19	Tata Consultancy Services Belgium (Formerly Tata Consultancy Services Belgium S.A.)	August 9, 2004	April 1, 2017	March 31, 2018	EUR	80.626966	2	270	510	238	-	1,455	154	57	97	-	100%	Belgium
20	Tata Consultancy Services Deutschland GmbH	August 9, 2004	April 1, 2017	March 31, 2018	EUR	80.626966	1	318	1,252	933	-	3,461	252	81	171	-	100%	Germany
21	Tata Consultancy Services Sverige AB	August 9, 2004	April 1, 2017	March 31, 2018	SEK	7.843876	-	463	1,050	587	-	2,382	168	39	129	-	100%	Sweden
22	Tata Consultancy Services Netherlands BV	August 9, 2004	April 1, 2017	March 31, 2018	EUR	80.626966	532	2,005	3,075	538	1,546	3,693	877	150	727	-	100%	Netherlands
23	TCS Italia s.r.l.	August 9, 2004	April 1, 2017	March 31, 2018	EUR	80.626966	18	(7)	171	160	-	356	16	9	7	-	100%	Italy
24	Tata Consultancy Services Luxembourg S.A.	October 28, 2005	April 1, 2017	March 31, 2018	EUR	80.626966	45	21	109	43	-	170	22	9	13	-	100%	Capellen (G.D. de Luxembourg)
25	Tata Consultancy Services Switzerland Ltd	October 31, 2006	April 1, 2017	March 31, 2018	CHF	68.417315	10	292	697	395	-	1,782	309	24	285	-	100%	Switzerland
26	Tata Consultancy Services Osterreich GmbH	March 9, 2012	April 1, 2017	March 31, 2018	EUR	80.626966	-	1	17	16	-	30	(4)	-	(4)	-	100%	Austria
27	Tata Consultancy Services Danmark ApS	March 16, 2012	April 1, 2017	March 31, 2018	DKK	10.821367	1	2	7	4	-	13	-	-	-	-	100%	Denmark
28	Tata Consultancy Services De Espana S.A.	August 9, 2004	April 1, 2017	March 31, 2018	EUR	80.626966	-	21	154	133	-	255	7	3	4	-	100%	Spain
29	Tata Consultancy Services (Portugal) Unipessoal, Limitada	July 4, 2005	April 1, 2017	March 31, 2018	EUR	80.626966	-	(8)	16	24	-	27	7	1	6	-	100%	Portugal
30	Tata Consultancy Services France SA (Formerly Alti S.A.)	June 28, 2013	April 1, 2017	March 31, 2018	EUR	80.626966	4	(347)	864	1,207	-	1,552	(55)	17	(72)	-	100%	France
31	Tata Consultancy Services Saudi Arabia	July 2, 2015	April 1, 2017	March 31, 2018	SAR	17.342871	7	98	176	71	-	347	74	12	62	-	76%	Saudi Arabia
32	Tata Consultancy Services (Africa) (PTY) Ltd.	October 23, 2007	April 1, 2017	March 31, 2018	ZAR	5.557146	8	52	60	-	59	-	16	-	16	-	100%	South Africa
33	Tata Consultancy Services (South Africa) (PTY) Ltd.	October 31, 2007	April 1, 2017	March 31, 2018	ZAR	5.557146	10	79	444	355	-	854	52	15	37	-	100%	South Africa
34	TCS FNS Pty Limited	October 17, 2005	April 1, 2017	March 31, 2018	AUD	49.838236	186	(41)	17	(128)	-	-	-	-	-	-	100%	Australia
35	TCS Financial Solutions Beijing Co., Ltd.	December 29, 2006	January 1, 2017	December 31, 2017	CNY	10.339332	38	(28)	87	77	-	54	(21)	-	(21)	-	100%	China
36	TCS Financial Solutions Australia Holdings Pty Limited	October 19, 2005	April 1, 2017	March 31, 2018	AUD	49.838236	69	(20)	49	-	1	-	-	-	-	-	100%	Australia
37	TCS Financial Solutions Australia Pty Limited	October 19, 2005	April 1, 2017	March 31, 2018	AUD	49.838236	-	123	221	98	36	53	34	2	32	-	100%	Australia
38	TCS Iberoamerica SA	August 9, 2004	April 1, 2017	March 31, 2018	USD	65.037500	640	651	1,349	58	1,348	-	295	25	270	-	100%	Uruguay
39	TCS Solution Center S.A.	August 9, 2004	April 1, 2017	March 31, 2018	UYU	2.296319	82	98	326	146	-	635	93	3	90	-	100%	Uruguay

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

₹ crores

Sr. No.	Name of the Subsidiary Company	Date of becoming subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of shareholding	Country
40	Tata Consultancy Services Argentina S.A.	August 9, 2004	April 1, 2017	March 31, 2018	ARS	3.226899	14	(58)	24	68	-	50	(16)	-	(16)	-	99.99%	Argentina
41	Tata Consultancy Services Do Brasil Ltda	August 9, 2004	April 1, 2017	March 31, 2018	BRL	19.556033	344	(263)	265	184	-	505	16	5	11	-	100%	Brazil
42	Tata Consultancy Services De Mexico S.A., De C.V.	August 9, 2004	January 1, 2017	December 31, 2017	MXN	3.530464	1	678	918	239	-	1,947	384	114	270	-	100%	Mexico
43	Tata Consultancy Services Chile S.A.	August 9, 2004	January 1, 2017	December 31, 2017	CLP	0.107216	182	372	643	89	72	470	(5)	(2)	(3)	-	100%	Chile
44	TCS Inversiones Chile Limitada	August 9, 2004	January 1, 2017	December 31, 2017	CLP	0.107216	164	185	372	23	344	31	173	-	173	-	100%	Chile
45	TATASOLUTION CENTER S.A.	December 28, 2006	January 1, 2017	December 31, 2017	USD	65.037500	20	43	185	122	-	553	7	9	(2)	-	100%	Ecuador
46	TCS Uruguay S.A.	January 1, 2010	April 1, 2017	March 31, 2018	UYU	2.296319	-	36	71	35	-	164	6	1	5	-	100%	Uruguay
47	MGDC S.C.	January 1, 2010	January 1, 2017	December 31, 2017	MXN	3.530464	-	125	252	127	-	1,025	44	42	2	-	100%	Mexico
48	Technology Outsourcing S.A.C.	October 30, 2015	January 1, 2017	December 31, 2017	PEN	20.154168	11	(4)	23	16	-	88	-	-	-	-	100%	Peru
49	Tata Consultancy Services Qatar S.S.C.	December 20, 2011	April 1, 2017	March 31, 2018	QAR	17.769809	4	28	53	21	-	112	12	1	11	-	100%	Qatar
50	TCS Foundation	March 25, 2015	April 1, 2017	March 31, 2018	INR	1.000000	1	636	640	3	29	-	137	-	137	-	100%	India

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2018
2. Proposed Dividend includes dividend proposed during the year but not paid
3. Alti S.A. was renamed as Tata Consultancy Services France SA
4. Alti HR S.A.S. was merged with Tata Consultancy Services France SA (Formerly Alti S.A.) w.e.f. April 1, 2017
5. Tescom (France) Software Systems Testing S.A.R.L. was merged with Tata Consultancy Services France SA (Formerly Alti S.A.) w.e.f. April 1, 2017
6. Alti Switzerland S.A. was merged with Tata Consultancy Services Switzerland Ltd. w.e.f. October 1, 2017
7. Alti Infrastructures Systemes & Reseaux S.A.S. was merged with Tata Consultancy Services France SA (Formerly Alti S.A.) w.e.f. April 1, 2017
8. Alti NV was merged with Tata Consultancy Services Belgium S.A. w.e.f. October 1, 2017
9. Teamlink was liquidated w.e.f. January 31, 2018
10. Planaxis Technologies Inc. was liquidated w.e.f. March 31, 2018
11. Tata Consultancy Services France S.A.S. was merged with Tata Consultancy Services France SA (Formerly Alti S.A.) w.e.f. April 1, 2017
12. Tata Consultancy Services Belgium S.A. was renamed as Tata Consultancy Services Belgium

For and on behalf of the Board

N. Chandrasekaran
Chairman

Rajesh Gopinathan
CEO and Managing Director

V. Ramakrishnan
CFO

N. Ganpathy Subramaniam
COO and Executive Director

Dr. Ron Sommer
Director

Aman Mehta
Director

Aarthi Subramanian
Director

Dr. Pradeep Kumar Khosla
Director

O. P. Bhatt
Director

Prof. Clayton M. Christensen
Director

Rajendra Moholkar
Company Secretary

V. Thyagarajan
Director

Glossary

ADM	See Application Development and Maintenance
Agile	Traditional methods of software development, which work in phases and are milestone focused, make it hard to keep up with today's time-to-market demands. Agile represents a new way of working to build and deliver software. It is an interactive approach that allows enterprises to develop software incrementally and faster. TCS is pioneering the location independent model of Agile, that allows for deployment at scale, and helps customers whose own organizations are globally distributed to execute large transformational programs quickly while ensuring stability and quality
AI	See Artificial Intelligence
Amortisation	Amortisation is an accounting concept similar to depreciation, but used to measure the consumption of intangible assets such as, acquired customer relationships and contracts, etc
Analytics	In the enterprise context, this is the discovery, interpretation, and communication of meaningful patterns in business data to predict and improve business performance
APAC	Acronym for Asia Pacific
API	See Application Programming Interface
APIfication	The process of exposing a discrete business function or data within an enterprise's systems through APIs
Application Development and Maintenance	Design, development, and deployment of custom software; ongoing support, upkeep, and enhancement of such software over its lifetime
Application Programming Interface	APIs are a set of easily accessible protocols for communication between various software components
AR	See Augmented Reality
Artificial Intelligence	AI is technology that appears to emulate human performance typically by learning, coming to its own conclusions, appearing to understand complex content, engaging in natural dialogs with people, augmenting human effort or replacing people on execution of non-routine tasks. Also known as Cognitive Computing
Asset Leveraged Solutions	Software solutions delivered by leveraging TCS' IP / frameworks or software products
Assurance Services	Quality Assurance and Engineering Services encompassing business requirements validation, static and functional testing, non-functional testing including performance engineering, user experience, security and test automation
Attrition	This measures what portion of the workforce left the organization (voluntarily or involuntarily) in a certain period. Attrition looks at employee departures over the last 12 months (LTM). The formula is: Total number of departures in the LTM / closing headcount
Augmented Reality	Augmented Reality is a technology that superimposes a computer-generated image on a user's view of the real world to enrich the interaction

Automation	Automation is the execution of work by machines in accordance with rules that have either been explicitly coded by a human or 'learned' by the machine through pattern recognition of data
Basis Point	A basis point is one hundredth of a percentage point, that is, 0.01%
Bp	See Basis Point
BFSI	Acronym for Banking, Financial Services and Insurance
Big Data	Big Data is high volume, high velocity, and/or high variety information assets that require new forms of processing to enable enhanced decision making, insight discovery, and process optimization
Blockchain	Blockchain is a distributed database that maintains a continuously growing list of records, called blocks, secured from tampering and revision
BPaaS	See Business Process as a Service
BPS	See Business Process Services
Business 4.0	Business 4.0 is TCS' thought leadership framework that helps enterprises leverage technology to further their growth and transformation agenda. Successful enterprises in the Business 4.0 epoch are ones which use technology to deliver mass personalization, leverage ecosystems, embrace risk and create exponential value. Such enterprises are agile, intelligent, automated and on the cloud
Business Process as a Service	BPaaS refers to the delivery of BPS over a cloud computing model. Whereas the aim of traditional BPS is to reduce labor costs, BPaaS reduces labor count through increased automation, thereby cutting costs in the process. The pricing models are consumption-based or subscription-based commercial terms. As a cloud service, the BPaaS model is accessed via Internet-based technologies
Business Process Services	Designing, enabling, and executing business operations including data management, analytics, interactions and experience management
Buy-back	Buy-Back is a corporate action in which a company buys back its shares from the existing shareholders and subsequently extinguishes them. The number of shares outstanding in the market correspondingly reduces
CAGR	See Compounded Annual Growth Rate
CBO	See Cognitive Business Operations
CC	See Constant Currency
Chatbots	Chatbots are computer programs designed to simulate conversation with human users, especially over the internet. They are typically used in dialog systems for various practical purposes like customer service or information acquisition
Cloud	See Cloud Computing
Cloud Computing	Cloud computing is the delivery of easily provisionable computing resources – servers, storage, databases, networking, software, analytics and more – over the Internet, consumed on a pay-as-you-go basis.
CMT	Acronym for Communication, Media and Technology
Cognitive Business Operations	CBO refers to TCS' integrated offering consisting of BPS and IT IS, where TCS takes responsibility for the process outcomes, and uses cognitive automation to deliver superior outcomes
Cognitive Computing	See Artificial Intelligence
COIN	See Co-Innovation Network

Co-Innovation Network	TCS uses COIN to harness the innovation taking place within the start-up ecosystem, including venture capitalists and academia globally, and incorporating them into innovative solutions for customers
Compounded Annual Growth Rate	CAGR is a useful measure of growth over multiple time periods. It can be thought of as the growth rate between any two points in time, assuming that the metric has been compounding during that period
Constant Currency	Restating the current period's transactions in the reporting currency using the exchange rates of other currencies to reporting currency of a prior period. Eliminating the impact of movement in exchange rates over two periods provides a better basis for analyzing performance over periods. At TCS, revenue and profit performance are discussed in constant currency while analyzing performance
Core Banking System	Core banking system is a back-end system that processes daily banking transactions and posts updates to accounts and other financial records. Core banking systems typically include deposit, loan and credit processing capabilities, with interfaces to general ledger systems and reporting tools
Cyber Security	Cybersecurity is the body of technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access. In a computing context, security includes both cybersecurity and physical security
Days' Sales Outstanding	Days' Sales Outstanding is a popular way of depicting the Trade Receivable relative to the company's Revenue. (DSO = Trade Receivable * 365 / Revenue)
Dedicated servers	Dedicated servers are geared toward single tenants. Typically, companies with business-critical operations that demand high performance plus strict regulatory compliance rely on dedicated servers
Depreciation	Depreciation is a method of allocating the cost of a tangible long-term asset over its useful life. It is a non-cash accounting entry found in the statement of profit and loss
DevOps	Traditional methods of software development, which work in phases and are milestone focused, make it hard to keep up with today's time-to-market demands. DevOps represents a new way of working to build and deliver software. DevOps uses high levels of automation and tooling to rapidly deploy the software in production. DevOps, alongwith Agile has enabled TCS to achieve speed to market
Digital	Digital is a phrase used to represent new age technologies such as Social Media, Mobility, Analytics, Big Data, Cloud, Artificial Intelligence and Internet of Things
Discretionary Spend	Discretionary spend, also known as Change the Business (CTB) spend, is that portion of the IT budget which is used to fund projects that are not, strictly speaking, essential for day to day operations, but are more transformational in nature. In uncertain economic times, when businesses are forced to cut spends in response to decline in income, discretionary spend is often the first to be scrutinized. What is considered discretionary is subjective and may differ considerably amongst businesses
Dividend	Dividend is one form of distribution of profits earned by the Company and is usually declared as an amount per equity share held by the Shareholders. TCS has a policy of declaring quarterly interim dividends and the final dividend is approved by the shareholders in the Annual General Meeting
Dividend Payout Ratio	Dividend Payout Ratio is the ratio of the annual dividend paid (including dividend distribution tax) to the Net Income, usually expressed as a percentage
Earnings per Share	EPS for any period is the amount of that period's Net Income attributable to a single share after deducting any preference dividend and related taxes EPS = [Net profit – Preference dividend if any] / Weighted average number of shares outstanding during the period

Effective Tax Rate	ETR is the proportion of the Profit Before Taxes that is provided towards income taxes ETR = Provision for Taxes / Profit Before Taxes
Effort	Effort is the work performed by an employee, measured by the time spent on various tasks as entered by the employee in a timesheet. The smallest measure of effort is a person-hour which is the work performed by one person for one hour. In very large projects which might entail a few hundred or even a few thousand team-members working over a long period, the effort measured in person-hours can become unwieldy so more convenient units such as person-days, person-weeks, person-months or person-years might be used. In every case, it refers to the work performed by one person for one unit of time. With greater use of automation, and newer contracting models, the link between revenue earned and effort expended is gradually weakening.
Engineering and Industrial Services	Next Generation Product Engineering, Manufacturing Operations Transformation, Services Transformation, Embedded software and Internet of Things
Enterprise Solutions and Consulting	Business and technology consulting, design, architecture, implementation, and support services on Enterprise Application platforms covering the front, middle, and back-office applications such as Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Supply Chain, Content Management etc., on-premise, cloud and other digital platforms
EPS	See Earnings Per Share
ETR	See Effective Tax rate
Fixed Price Contracts	This is a form of services contract where the vendor takes a turnkey responsibility for delivering a solution for a certain price and within a mutually agreed timeframe. The customer is billed on completion of key project milestones and related deliverables. This arrangement gives the vendor considerable flexibility in the staffing and execution of the project. On the other hand, it also means bearing the project risk.
Fair Value	The fair value of a financial asset or liability is the price that would be received on selling an asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date
Forward Contract	A Forward Contract is a hedging instrument wherein two parties agree to buy or sell a particular currency at a pre-determined rate (OR Forward Currency rate) on a specific future date. For e.g. TCS enters into a forward contract to sell USD 1mn after 3 months @ ₹68. Irrespective of the prevailing USDINR spot rate, TCS will be obliged to sell USD 1mn @ ₹68 at the end of 3 months
Gamification	Gamification is the process of adding games or game-like elements to any activity in order to enrich experiences and encourage user participation
Hybrid Cloud	A hybrid cloud combines private clouds, public clouds and single-tenant dedicated servers. The private cloud offers advanced security, the public cloud provides scalability, and the single-tenant dedicated servers offer superior performance for applications that require it
IT IS	See IT Infrastructure Services
IT Infrastructure Services	Technical consulting, remote infrastructure management, hosting, process and tools optimization, and technical transformation of the enterprise IT infrastructure to a future proof hybrid cloud model
IaaS	See Infrastructure as a Service
Infrastructure as a Service	IaaS is a method of delivering computing, storage, networking and other capabilities via the Internet. IaaS enables companies to utilize web-based operating systems, applications and storage without having to purchase, manage and support the underlying cloud infrastructure
IoT	See Internet of Things

Internet of Things	IoT is a network of interconnected machines or devices which are embedded with sensors, software, network connectivity, and necessary electronics to generate and share run-time data that can be studied and used to monitor or control remotely, predict failure, and optimize the design of those machines / devices
Invested Funds	Invested funds are funds that are highly liquid in nature, and can be readily converted into cash. Invested Funds = Cash and Bank Balances + Investments + Deposits with Banks + Inter corporate Deposits
KMP	See Key Managerial Personnel
Key Managerial Personnel	KMP at TCS refers to the Chief Executive Officer and Managing Director, Chief Operating Officer, Chief Financial Officer, Global Head – Human Resources and the Company Secretary. Please refer to the Company's policy on KMP: http://www.tcs.com/ir-corporate-governance
LatAm	Acronym for Latin America Geography
Machine Learning	Machine learning is a type of artificial intelligence that provides computers with the ability to learn without being explicitly programmed
Market Capitalization	Total market value of all of a company's outstanding equity shares Market Cap = Last Trading Price * Total number of outstanding shares
MEA	Acronym for Middle East and Africa Geography
Mobility	Mobility means information, convenience, and social media all combined together, and made available across a variety of screen sizes and devices
Non controlling Interest	Non controlling Interest is the share of the consolidated profits attributable to interests of the non-controlling ownership in the subsidiaries
Non-discretionary Spend	Non-Discretionary spend, also known as Run the Business (RTB) spend, is that portion of the IT budget that covers the basic IT activities required to keep a business running Even in tough economic times, non-discretionary spend remains relatively unaffected
PaaS	See Platform as a Service
Platform as a Service	PaaS, is a category of cloud computing that provides a platform and environment to allow developers to build applications and services over the internet. PaaS services are hosted in the cloud and accessed by users simply via their web browser
Personalization	Segmentation and responding to individual transactions, customised for a single customer in a single instance
Pricing	This is the price charged to the customer per unit of effort. In Time and Material contracts, pricing is the billing rate for a unit of effort (usually measured in person-hours). In Fixed Price contracts, pricing is the total sum the customer is expected to pay for the turnkey solution delivered. Some use this term interchangeably (and somewhat inaccurately) with the average revenue realized by the company per unit of effort. See Realization
Private Cloud	A private cloud offers the agility, scalability and efficiency of the public cloud, with the greater levels of control and security of a single-tenant, dedicated server environment. It can be hosted on-site at your own data center or at a service provider's data center. When securing your business data or regulatory compliance is paramount, it's an ideal choice
Public Cloud	Public cloud provides easy access to IT resources as you need them and when you need them, reducing the cost and burden of ongoing hardware and datacenter management. A public cloud has multiple tenants and offers pay-as-you-go scalability. It's well suited for websites with public-facing operations and unpredictable or heavy traffic

Realization	This is the revenue received by the company per unit of effort expended. TCS reports the year on year change in realization (in percentage terms) after removing any impact of changes in currency exchange rates. Billing rates vary depending on what service is offered and in which country, so it is important to note that increases or decreases in realization could be because of changes in the underlying business or geographic mix and not necessarily because of a change in pricing. Also, realization doesn't take into account the costs and therefore higher realization is not necessarily better or more profitable
Related Party Transactions	Any transaction between a company and its related party involving transfer of services, resources or any obligation, regardless of whether a price is charged. Please refer the Company's policy on Related Party Transactions : http://www.tcs.com/ir-corporate-governance
Revenue	Revenue is the income earned by the company from operations by providing IT & consulting services, software licenses, and hardware equipment to customers
RPA	See Robotic Process Automation
Robotic Process Automation	RPA is the use of software with artificial intelligence (AI) and machine learning capabilities to handle high-volume, repeatable tasks that previously required humans to perform. These tasks can include queries, calculations and maintenance of records and transactions.
SMB	See Small and Mid-sized Businesses
SEZ	See Special Economic Zone
Simplification	Simplification is the term used to describe the rationalization of IT architectures through consolidation of systems and elimination of redundant systems and layers. The primary purpose is to shrink the IT footprint and make operations leaner and more efficient
Small and Mid-sized Businesses	SMB is a business which, due to its size, has different IT requirements—and often faces different IT challenges—than large enterprises, and whose IT resources (usually budget and staff) are often highly constrained
Social Media	Social media is an online environment where content is created, consumed, promoted, distributed, discovered or shared for purposes that are primarily related to communities and social activities rather than to functional, task-oriented objectives. "Media," in this context, represents an environment characterized by storage and transmission, while "social" describes the distinct way these messages propagate in a one-to-many or many-to-many fashion
Special Economic Zone	SEZ in India were developed as areas in which business and trade laws are different from the rest of the country offering them various benefits and tax breaks with the objective of promoting exports from the country, increase trade, and investment, and help in job creation
STEM	STEM is an acronym for education in the fields of science, technology, engineering and math
Trade Receivable	This is the sum of all the invoices outstanding at the end of the period. To get a complete picture of the total outstanding, one can also add the Unbilled Revenues where invoices are yet to be raised for services already delivered and subtract the Unearned Revenues where invoices have been raised for services that are yet to be delivered. Trade Receivable is normally viewed in proportion to the size of the organization's revenue and so it is expressed as Days' Sales Outstanding or DSO
T&M	See Time and Materials Contracts
Time and Material Contracts	This is a form of services contract where the customer is billed for the time (hours, days, weeks, etc) logged by the project team members . In other words, the customer is billed for the effort rather than for the outcomes. Project risk is borne by the customer. This is in contrast to Fixed Price Contracts
Turnkey Contracts	See Fixed Price Contracts

UBR	See Unbilled Revenue
Unbilled Revenue	UBR is revenue that is yet to be invoiced for services already delivered. Typically invoicing in turnkey projects are tied to achieving agreed milestones. UBR arises when the efforts are expended during the course of achieving such milestones and when the contract provides for right to receive payment for effort expended until the milestone is achieved. This is the opposite of Unearned Revenue
UER	See Unearned Revenue
Unearned Revenue	UER is invoice raised in advance for services yet to be delivered. In other words, it is the amount that has been invoiced although the underlying effort is yet to be expended. Unearned revenue is the opposite of Unbilled Revenue
VR	See Virtual Reality
Virtual Reality	VR is an artificial, computer-generated simulation or recreation of a real life environment or situation. It engages users by offering simulated reality experiences firsthand, primarily by stimulating their vision and hearing
Virtualization	Virtualization is the abstraction of IT resources – like a server, client, storage or network – that masks the physical nature and boundaries of those resources from the users of those resources
Volume	Volume in any period is the Effort expended and the quantum of hardware equipment and software licenses sold in that period
Y-o-Y	Acronym for Year-on-Year

Disclaimer: This glossary is intended to help understand commonly used terms and phrases in this Report. The explanations are not intended to be technical definitions. If explanations provided here are found to be different from what is described in the Company's periodic financial statements (not limited to Notes to Accounts), then the definition provided in the certified financial statements will prevail.

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

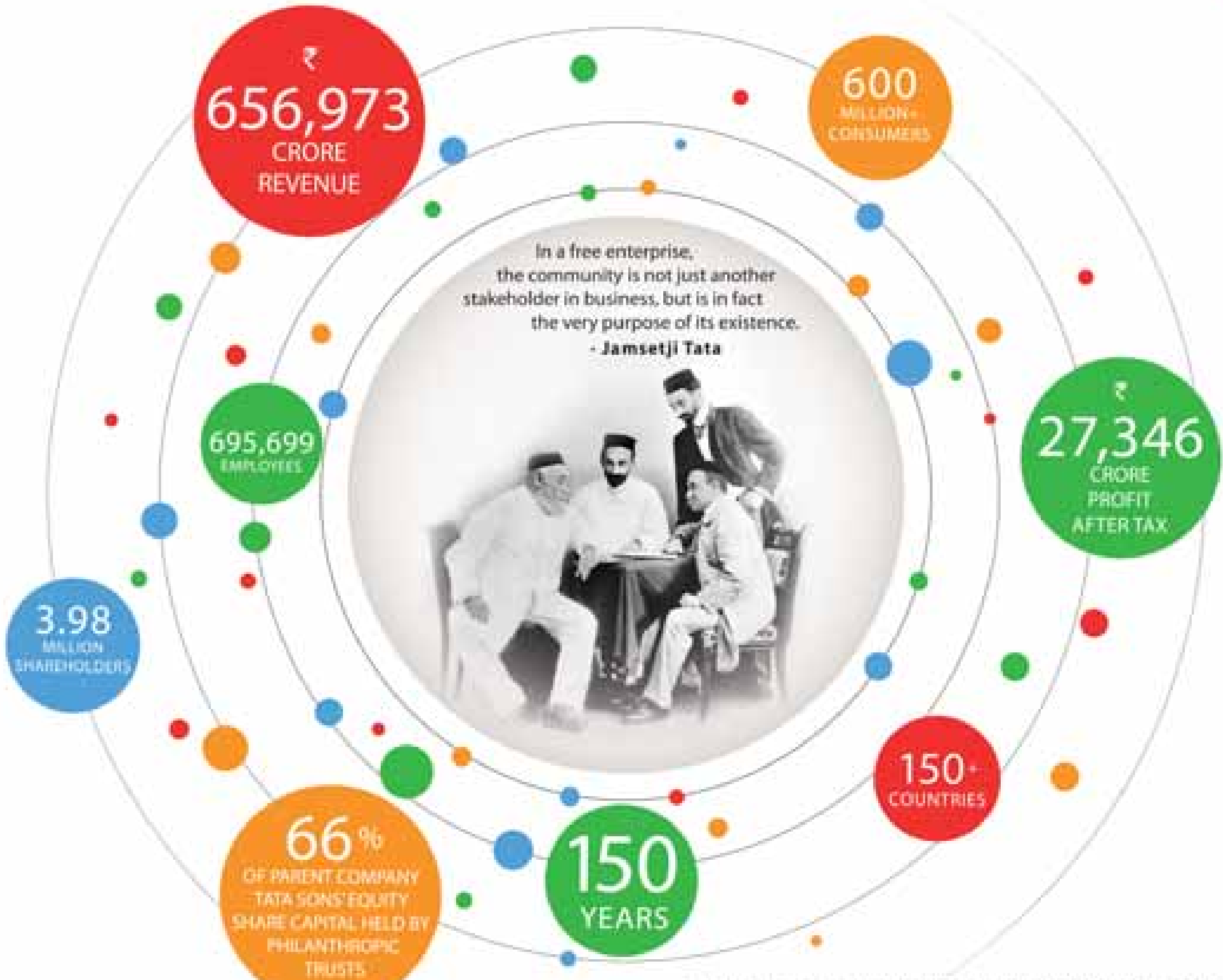
Notes

Notes

Notes

Notes

LEADERSHIP WITH TRUST
SINCE 1868



The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices, to pioneering national institutions, the Tata Group remains committed to improving the lives of communities we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata; Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

tata150.com

TCS Safe Harbour Clause

Certain statements in this report concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT services companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on cross-border movement of skilled personnel, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

TATA CONSULTANCY SERVICES

IT Services
Business Solutions
Consulting

Tata Consultancy Services Limited
9th Floor Nirmal Building Nariman Point Mumbai 400 021
www.tcs.com

TATA CONSULTANCY SERVICES LIMITED

TATA

Corporate Identity Number (CIN): L22210MH1995PLC084781
Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021
Phone: 91 22 6778 9595 E-mail: investor.relations@tcs.com Website: www.tcs.com

ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the twenty-third Annual General Meeting of the Company to be held on Friday, June 15, 2018 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

TATA

Corporate Identity Number (CIN): L22210MH1995PLC084781
Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021
Phone: 91 22 6778 9595 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./DP ID No. /Client ID No. ....

I/We, being the member(s) of Tata Consultancy Services Limited, holding .... shares, hereby appoint

1. Name: .... E-mail Id: ....
   Address: ....
   .... Signature: ....
   or failing him/her
2. Name: .... E-mail Id: ....
   Address: ....
   .... Signature: ....
   or failing him/her
3. Name: .... E-mail Id: ....
   Address: ....
   .... Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the twenty-third Annual General Meeting of the Company to be held on Friday, June 15, 2018 at 3.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolution	For	Against
1.	To receive, consider and adopt: a. the Audited Financial Statements of the Company for the financial year ended March 31, 2018, 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, 2018, 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 2017 -18.		
3.	To appoint a Director in place of Mr. N. Chandrasekaran (DIN 00121863), who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Ratification of appointment of Auditors.		
5.	Appointment of Ms. Aarthi Subramanian as a Director.		
6.	Appointment of Dr. Pradeep Kumar Khosla as an Independent Director.		
7.	Appointment of Branch Auditors.		

Signed this .... day of 2018

Affix Revenue Stamp

Signature of Shareholder.................... Signature of Proxyholder(s)....................

NOTES:

1. **This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021, not less than 48 hours before commencement of the Meeting.**
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy Form.