Consolidated Balance Sheet

(₹ crore)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	**10,411**	10,216
(b) Capital work-in-progress		**963**	1,278
(c) Goodwill	6	**1,700**	1,745
(d) Other intangible assets	7	**179**	12
(e) Financial assets			
(i) Investments	8(A)	**239**	301
(ii) Trade receivables	14(A)	**95**	94
(iii) Unbilled receivables (Previous year: Unbilled revenue)		**391**	227
(iv) Loans receivables	9(A)	**60**	1,975
(v) Other financial assets	10(A)	**738**	691
(f) Income tax assets (net)		**4,017**	4,131
(g) Deferred tax assets (net)	11	**2,656**	3,449
(h) Other assets	12(A)	**1,363**	953
Total non-current assets		**22,812**	25,072
Current assets			
(a) Inventories	13	**10**	26
(b) Financial assets			
(i) Investments	8(B)	**29,091**	35,707
(ii) Trade receivables	14(B)	**27,346**	24,943
(iii) Unbilled receivables (Previous year: Unbilled revenue)		**5,157**	6,686
(iv) Cash and cash equivalents	15	**7,224**	4,883
(v) Other balances with banks	16	**5,624**	2,278
(vi) Loans receivables	9(B)	**8,029**	3,205
(vii) Other financial assets	10(B)	**1,769**	875
(c) Income tax assets (net)		**1,853**	37
(d) Other assets	12(B)	**6,028**	2,584
Total current assets		**92,131**	81,224
TOTAL ASSETS		**114,943**	106,296
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	17	**375**	191
(b) Other equity	18	**89,071**	84,937
Equity attributable to shareholders of the Company		**89,446**	85,128
Non-controlling interests		**453**	402
Total equity		**89,899**	85,530
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19(A)	**44**	54
(ii) Other financial liabilities	20(A)	**287**	503
(b) Unearned and deferred revenue		**844**	503
(c) Employee benefit obligations	25(A)	**330**	290
(d) Provisions	21(A)	**-**	26
(e) Deferred tax liabilities (net)	11	**1,042**	1,170
(f) Other liabilities	22(A)	**413**	392
Total non-current liabilities		**2,960**	2,938
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19(B)	**-**	181
(ii) Trade payables		**6,292**	5,094
(iii) Other financial liabilities	20(B)	**4,903**	3,913
(b) Unearned and deferred revenue		**2,392**	2,032
(c) Income tax liabilities(net)		**2,667**	1,421
(d) Employee benefit obligations	25(B)	**2,356**	2,018
(e) Provisions	21(B)	**239**	240
(f) Other liabilities	22(B)	**3,235**	2,929
Total current liabilities		**22,084**	17,828
TOTAL EQUITY AND LIABILITIES		**114,943**	106,296
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS	1-37		

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 12, 2019

N Chandrasekaran
Chairman

V Ramakrishnan
CFO

O P Bhatt
Director

Hanne Birgitte Breinbjerg Sorensen
Director

Rajesh Gopinathan
CEO and Managing Director

Aman Mehta
Director

Aarthi Subramanian
Director

Dr Pradeep Kumar Khosla
Director

N Ganapathy Subramaniam
COO and Executive Director

Dr Ron Sommer
Director

Keki M Mistry
Director

Daniel Hughes Callahan
Director

Rajendra Moholkar
Company Secretary

Consolidated Statement of Profit and Loss

(₹ crore)

	Note	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue	23	**146,463**	123,104
II. Other income	24	**4,311**	3,642
III. TOTAL INCOME		**150,774**	126,746
IV. **Expenses**			
(a) Employee benefit expenses	25	**78,246**	66,396
(b) Cost of equipment and software licences	26	**2,270**	2,700
(c) Depreciation and amortisation expense		**2,056**	2,014
(d) Other expenses	27	**26,441**	21,492
(e) Finance costs		**198**	52
TOTAL EXPENSES		**109,211**	92,654
V. PROFIT BEFORE TAX		**41,563**	34,092
VI. **Tax expense**			
(a) Current tax	11	**9,502**	8,265
(b) Deferred tax	11	**499**	(53)
TOTAL TAX EXPENSE		**10,001**	8,212
VII. PROFIT FOR THE YEAR		**31,562**	25,880
VIII. OTHER COMPREHENSIVE INCOME (OCI)			
(A) (i) **Items that will not be reclassified subsequently to profit or loss**			
(a) Remeasurement of defined employee benefit plans		**(51)**	106
(b) Net change in fair values of investments in equity shares carried at fair value through OCI		**(1)**	(84)
(ii) **Income tax on items that will not be reclassified subsequently to profit or loss**		**11**	(5)
(B) (i) **Items that will be reclassified subsequently to profit or loss**			
(a) Net change in fair values of investments other than equity shares carried at fair value through OCI		**425**	(821)
(b) Net change in intrinsic value of derivatives designated as cash flow hedges		**153**	(122)
(c) Net change in time value of derivatives designated as cash flow hedges		**44**	(59)
(d) Exchange differences on translation of financial statements of foreign operations		**(86)**	552
(ii) **Income tax on items that will be reclassified subsequently to profit or loss**		**(171)**	305
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**324**	(128)
IX. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**31,886**	25,752
Profit for the year attributable to:			
Shareholders of the Company		**31,472**	25,826
Non-controlling interests		**90**	54
		31,562	25,880
Total comprehensive income for the year attributable to:			
Shareholders of the Company		**31,787**	25,682
Non-controlling interests		**99**	70
		31,886	25,752
X. **Earnings per equity share:- Basic and diluted (₹)**	31	**83.05**	67.10
Weighted average number of equity shares		**378,97,49,350**	384,91,85,612
XI. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-37		

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

N Chandrasekaran *Chairman*

V Ramakrishnan *CFO*

O P Bhatt *Director*

Hanne Birgitte Breinbjerg Sorensen *Director*

Rajesh Gopinathan *CEO and Managing Director*

Aman Mehta *Director*

Aarthi Subramanian *Director*

Dr Pradeep Kumar Khosla *Director*

N Ganapathy Subramaniam *COO and Executive Director*

Dr Ron Sommer *Director*

Keki M Mistry *Director*

Daniel Hughes Callahan *Director*

Rajendra Moholkar *Company Secretary*

Mumbai, April 12, 2019

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Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

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

(₹ crore)

Balance as at April 1, 2018	**Changes in equity share capital during the year***	**Balance as at March 31, 2019**
191	**184**	**375**

*Refer note 17.

B. OTHER EQUITY

(₹ crore)

	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, 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 / (losses)	-	-	-	-	-	102	-	(622)	(107)	(52)	535	(144)	16	(128)
Total comprehensive income / (losses)	-	-	-	-	-	25,928	-	(622)	(107)	(52)	535	25,682	70	25,752
Dividend (including tax on dividend of ₹ 1,444 crore)	-	-	-	-	-	(10,726)	-	-	-	-	-	(10,726)	(34)	(10,760)
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	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	(8)	-	(32)	40	-	-	-	-	-	-	-
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
Balance as at April 1, 2018	**75**	**-**	**529**	**1,423**	**1,578**	**79,755**	**258**	**(84)**	**(2)**	**(69)**	**1,474**	**84,937**	**402**	**85,339**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**31,472**	**-**	**-**	**-**	**-**	**-**	**31,472**	**90**	**31,562**
Other comprehensive income / (losses)	**-**	**-**	**-**	**-**	**-**	**(41)**	**-**	**275**	**136**	**39**	**(94)**	**315**	**9**	**324**
Total comprehensive income / (losses)	**-**	**-**	**-**	**-**	**-**	**31,431**	**-**	**275**	**136**	**39**	**(94)**	**31,787**	**99**	**31,886**
Dividend (including tax on dividend of ₹ 1,342 crore)	**-**	**-**	**-**	**-**	**-**	**(11,424)**	**-**	**-**	**-**	**-**	**-**	**(11,424)**	**(48)**	**(11,472)**
Buy-back of equity shares*	**-**	**-**	**8**	**-**	**-**	**(16,000)**	**-**	**-**	**-**	**-**	**-**	**(15,992)**	**-**	**(15,992)**
Expenses for buy-back of equity shares*	**-**	**-**	**-**	**-**	**-**	**(45)**	**-**	**-**	**-**	**-**	**-**	**(45)**	**-**	**(45)**
Issue of bonus shares*	**-**	**-**	**(106)**	**-**	**-**	**(86)**	**-**	**-**	**-**	**-**	**-**	**(192)**	**-**	**(192)**
Realised loss on equity shares carried at fair value through OCI	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to Special Economic Zone re-investment reserve	**-**	**-**	**-**	**-**	**2,750**	**(2,750)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Special Economic Zone re-investment reserve	**-**	**-**	**-**	**-**	**(3,334)**	**3,334**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to reserves	**-**	**-**	**-**	**(1,396)**	**-**	**1,306**	**90**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2019	**75**	**-**	**431**	**27**	**994**	**85,520**	**348**	**192**	**134**	**(30)**	**1,380**	**89,071**	**453**	**89,524**

*Refer note 17.

Total equity (primarily retained earnings) includes ₹ 864 crore and ₹ 777 crore as at March 31, 2019 and 2018, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Consolidated Statement of Changes in Equity

Nature and purpose 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 is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 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. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(d) General reserve

The general reserve is a free reserve which 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 (SEZ) 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 will be utilised by the Group for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

(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 / profit and loss 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. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying 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 and is presented within equity in the foreign currency translation reserve.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS 1-37

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 12, 2019

For and on behalf of the Board

N Chandrasekaran
Chairman

V Ramakrishnan
CFO

O P Bhatt
Director

Hanne Birgitte Breinbjerg Sorensen
Director

Rajesh Gopinathan
CEO and Managing Director

Aman Mehta
Director

Aarthi Subramanian
Director

Dr Pradeep Kumar Khosla
Director

N Ganapathy Subramaniam
COO and Executive Director

Dr Ron Sommer
Director

Keki M Mistry
Director

Daniel Hughes Callahan
Director

Rajendra Moholkar
Company Secretary

Consolidated Statement of Cash Flows

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**31,562**	25,880
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	**2,056**	2,014
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**187**	206
Tax expense	**10,001**	8,212
Finance costs	**198**	52
Net gain on disposal of property, plant and equipment	**(84)**	(25)
Unrealised foreign exchange (gain) / loss	**7**	(94)
Dividend income	**(18)**	(9)
Interest income	**(2,762)**	(2,445)
Net gain on investments	**(427)**	(906)
Operating profit before working capital changes	**40,720**	32,885
Net change in		
Inventories	**16**	(5)
Trade receivables	**(2,883)**	(1,833)
Unbilled receivables (Previous year: Unbilled revenue)	**1,286**	(1,441)
Loans and other financial assets	**(499)**	388
Other assets	**(3,687)**	(459)
Trade payables	**1,496**	(346)
Unearned and deferred revenue	**679**	1,104
Other financial liabilities	**791**	1,003
Other liabilities and provisions	**632**	1,380
Cash generated from operations	**38,551**	32,676
Taxes paid (net of refunds)	**(9,958)**	(7,609)
Net cash generated from operating activities	**28,593**	25,067
II. CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	**(5,733)**	(2,057)
Inter-corporate deposits placed	**(13,724)**	(6,915)
Purchase of investments*	**(96,751)**	(97,473)
Payment for purchase of property, plant and equipment	**(2,053)**	(1,862)
Payment for purchase of intangible assets	**(178)**	-
Earmarked deposits placed with banks	**(296)**	(231)
Purchase of subsidiary, net of cash of ₹ 16 crore (March 31, 2018: NIL)	**(50)**	-
Proceeds from bank deposits	**2,375**	431
Proceeds from inter-corporate deposits	**10,797**	4,685
Proceeds from disposal / redemption of investments*	**104,133**	103,482
Proceeds from disposal of property, plant and equipment	**99**	58
Proceeds from earmarked deposits with banks	**340**	136
Dividend received	**18**	9
Interest received	**2,619**	2,623
Net cash generated from investing activities	**1,596**	2,886
III. CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of equity shares	**(16,000)**	(16,000)
Expenses for buy-back of equity shares	**(45)**	(42)
Short-term borrowings (net)	**(181)**	(19)
Dividend paid (including tax on dividend)	**(11,424)**	(10,726)
Dividend paid to non-controlling interests (including tax on dividend)	**(48)**	(34)
Repayment of finance lease obligations	**(13)**	(24)
Interest paid	**(186)**	(40)
Net cash used in financing activities	**(27,897)**	(26,885)
Net change in cash and cash equivalents	**2,292**	1,068
Cash and cash equivalents at the beginning of the year	**4,883**	3,597
Exchange difference on translation of foreign currency cash and cash equivalents	**49**	218
Cash and cash equivalents at the end of the year (Refer note 15)	**7,224**	4,883

*Purchase of investments include ₹ 277 crore and ₹ 709 crore for the years ended March 31, 2019 and 2018, respectively, and proceeds from disposal / redemption of investments include ₹ 230 crore and ₹ 1,182 crore for the years ended March 31, 2019 and 2018, respectively, held by TCS Foundation, formed for conducting corporate social responsibility activities of the Group.

IV. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS 1-37

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 12, 2019

For and on behalf of the Board

N Chandrasekaran
Chairman

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N Ganpathy Subramaniam
COO and Executive Director

Dr Ron Sommer
Director

Keki M Mistry
Director

Daniel Hughes Callahan
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 IT services, consulting and business solutions that have been partnering with many of the world's largest businesses in their transformation journeys for the last fifty years. The Group offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai 400001. As at March 31, 2019, Tata Sons Private Limited (formerly Tata Sons Limited), the holding company owned 72.02% of the Company's equity share capital.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2019 and authorised for issue on April 12, 2019.

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

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

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

The statement of cash flows have been prepared under indirect method.

(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, 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 consolidated 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.

Notes forming part of the Consolidated Financial Statements

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 is 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 the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented.

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

Key sources 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, are in respect of impairment of goodwill, useful lives of property, plant and equipment, valuation of deferred tax assets, and fair value measurements of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities 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).

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 IT services, consulting and business solutions. The Group offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Notes forming part of the Consolidated Financial Statements

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the consolidated statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2(f) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Group is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Notes forming part of the Consolidated Financial Statements

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

(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 in the consolidated statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

Notes forming part of the Consolidated Financial Statements

(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 expenses. Employee benefit expenses includes salaries, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Other 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

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the consolidated statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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 of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

(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 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, 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the 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.

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Notes forming part of the Consolidated Financial Statements

Financial liabilities

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

Equity instruments

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

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.

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

(n) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Notes forming part of the Consolidated Financial Statements

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Buildings	20 years
Leasehold improvements	Lease term
Plant and equipment	10 years
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	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.

(o) 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 over the period of its economic useful life.

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:

Type of asset	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

(p) 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 allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

(a) Tangible and other 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.

(q) 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) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) 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.

(r) Inventories

Inventories consists of (a) Raw materials, sub-assemblies and components, (b) Work-in-progress, (c) Stores and spare parts and (d) Finished goods. Inventories are carried at lower of cost and net realisable value. The cost of raw materials, sub-assemblies and components is determined on a weighted average basis. Cost of finished goods produced or purchased by the Group includes direct material and labour cost and a proportion of manufacturing overheads.

(s) 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.

Notes forming part of the Consolidated Financial Statements

3) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements.

The Group will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortisation charge for the right-to-use asset, and (b) interest accrued on lease liability

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

On transition, for leases other than short-term leases and leases of low value assets, the Group will recognise a right-of-use asset of ₹ 5,623 crore and a corresponding lease liability of ₹ 6,555 crore with the cumulative effect of applying the standard by adjusting retained earnings net of taxes. There will be consequent reclassification in the cash flow categories in the consolidated statement of cash flows.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty

Notes forming part of the Consolidated Financial Statements

(2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

4) Acquisitions

The Company acquired W12 Studios Limited, an award-winning digital design studio based in London on October 31, 2018. The Company paid ₹ 66 crore (GBP 7 million) to acquire 100% equity shares of W12 Studios Limited.

Purchase consideration paid for this acquisition has been allocated as follows:

(₹ crore)

	As at March 31, 2019
Cash and cash equivalents	16
Net assets acquired, at fair value other than cash and cash equivalents	8
Intangible assets	28
Goodwill	14
	66

Revenues and net profit of the acquiree included in the consolidated financial statements and proforma revenue and net profit information as at the beginning of April 1, 2018 have not been presented because the amounts are immaterial.

Notes forming part of the Consolidated Financial Statements

5) Property, plant and equipment

Property, plant and equipment consist of the following:

(₹ crore)

	Freehold land	Buildings	Leasehold Improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as at April 1, 2018	**348**	**7,102**	**2,257**	**501**	**6,786**	**34**	**2,221**	**1,831**	**1,640**	**22,720**
Additions	**(4)**	**335**	**236**	**56**	**1,120**	**7**	**200**	**130**	**150**	**2,230**
Disposals	**-**	**(13)**	**(95)**	**(3)**	**(194)**	**(2)**	**(46)**	**(30)**	**(45)**	**(428)**
Translation exchange difference	**1**	**5**	**5**	**(2)**	**(25)**	**-**	**2**	**4**	**10**	**-**
Cost as at March 31, 2019	**345**	**7,429**	**2,403**	**552**	**7,687**	**39**	**2,377**	**1,935**	**1,755**	**24,522**
Accumulated depreciation as at April 1, 2018	**-**	**(1,821)**	**(1,283)**	**(122)**	**(5,292)**	**(28)**	**(1,720)**	**(1,004)**	**(1,234)**	**(12,504)**
Depreciation for the year	**-**	**(374)**	**(205)**	**(54)**	**(820)**	**(4)**	**(245)**	**(147)**	**(168)**	**(2,017)**
Disposals	**-**	**10**	**94**	**2**	**194**	**1**	**46**	**23**	**43**	**413**
Translation exchange difference	**-**	**(2)**	**(2)**	**2**	**12**	**-**	**(2)**	**(4)**	**(7)**	**(3)**
Accumulated depreciation as at March 31, 2019	**-**	**(2,187)**	**(1,396)**	**(172)**	**(5,906)**	**(31)**	**(1,921)**	**(1,132)**	**(1,366)**	**(14,111)**
Net carrying amount as at March 31, 2019	**345**	**5,242**	**1,007**	**380**	**1,781**	**8**	**456**	**803**	**389**	**10,411**

(₹ crore)

	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)
Depreciation for the year	-	(356)	(202)	(46)	(819)	(5)	(251)	(150)	(148)	(1,977)
Disposals	-	2	73	1	202	1	54	19	27	379
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

Net carrying amount of property, plant and equipment under finance lease arrangements are as follows:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Leasehold improvements	**27**	33
Computer equipment	**2**	5
Office equipment	**1**	1
Furniture and fixtures	**1**	1
Leased assets	**31**	40

Notes forming part of the Consolidated Financial Statements

6) Goodwill

Goodwill consist of the following:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**1,745**	1,597
Additional amount recognised from business combination during the year	**14**	-
Translation exchange difference	**(59)**	148
Balance at the end of the year	**1,700**	1,745

The Group tests goodwill annually for impairment.

Goodwill of ₹ 594 crore and ₹ 618 crore as at March 31, 2019 and 2018, respectively, 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 reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of ₹ 1,106 crore and ₹ 1,127 crore as at March 31, 2019 and 2018, respectively, (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

7) Other intangible assets

Intangible assets consist of the following:

(₹ crore)

	Acquired contract rights	**Rights under licensing agreement and software licences**	**Customer-related intangibles**	**Total**
Cost as at April 1, 2018	**369**	**80**	**89**	**538**
Additions	**-**	**178**	**-**	**178**
Acquisition through a business combination	**-**	**-**	**28**	**28**
Translation exchange difference	**3**	**(2)**	**(2)**	**(1)**
Cost as at March 31, 2019	**372**	**256**	**115**	**743**
Accumulated amortisation as at April 1, 2018	**(369)**	**(68)**	**(89)**	**(526)**
Amortisation for the year	**-**	**(35)**	**(4)**	**(39)**
Translation exchange difference	**(3)**	**1**	**3**	**1**
Accumulated amortisation as at March 31, 2019	**(372)**	**(102)**	**(90)**	**(564)**
Net carrying amount as at March 31, 2019	**-**	**154**	**25**	**179**

(₹ crore)

	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

Notes forming part of the Consolidated Financial Statements

The estimated amortisation for the years subsequent to March 31, 2019 is as follows:

(₹ crore)

Year ending March 31,	Amortisation expense
2020	59
2021	54
2022	50
2023	16
2024	-
Thereafter	-
	179

8) Investments

Investments consist of the following:

(A) Investments - Non-current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	**Investments carried at fair value through profit or loss**		
	Mutual fund units (unquoted)	-	59
(b)	**Investments designated at fair value through OCI**		
	Fully paid equity shares (unquoted)		
	Mozido LLC	69	65
	FCM LLC	52	49
	Taj Air Limited	19	19
	Philippine Dealing System Holdings Corporation	6	6
	KOOH Sports Private Limited	-	3
	Less: Impairment in value of investments	(88)	(84)
(c)	**Investments carried at amortised cost**		
	Government bonds and securities (quoted)	165	168
	Corporate bonds (quoted)	16	16
		239	301

Investments - Non-current includes ₹ 181 crore and ₹ 185 crore as at March 31, 2019 and 2018 respectively, pertains to trusts held for specified purposes.

Notes forming part of the Consolidated Financial Statements

(B) Investments - current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	**3,745**	9,735
Mutual fund units (unquoted)	**63**	-
(b) Investments carried at fair value through OCI		
Government bonds and securities (quoted)	**23,566**	25,217
Corporate bonds (quoted)	**1,206**	755
(c) Investment carried at amortised cost		
Certificate of deposits (quoted)	**490**	-
Corporate bonds (quoted)	**21**	-
	29,091	35,707

Investments - current includes ₹ 121 crore and ₹ 42 crore as at March 31, 2019 and 2018, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Aggregate value of quoted investments	**29,209**	35,891
Aggregate value of unquoted investments (net of impairment)	**121**	117
Aggregate market value of quoted investments	**29,222**	35,899
Aggregate value of impairment of investments	**(88)**	(84)
Market value of quoted investments carried at amortised cost		
Government bonds and securities	**177**	176
Certificate of deposits	**491**	-
Corporate bonds	**36**	16

(₹ crore)

In numbers	Currency	Face value per share	Investments	As at March 31, 2019	As at March 31, 2018
			Fully paid equity shares (unquoted)		
1,00,00,000	USD	1	Mozido LLC	**69**	65
15	USD	5,00,000	FCM LLC	**52**	49
1,90,00,000	INR	10	Taj Air Limited	**19**	19
5,00,000	PHP	100	Philippine Dealing System Holdings Corporation	**6**	6
20,00,000	INR	10	KOOH Sports Private Limited	**-**	3
			Less: Impairment in value of investments	**(88)**	(84)
				58	58

Notes forming part of the Consolidated Financial Statements

9) Loans receivables

Loans receivables (unsecured) consist of the following:

(A) Loans receivables - Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Considered good		
Inter-corporate deposits	58	1,972
Loans and advances to employees	2	3
	60	1,975

(B) Loans receivables - Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Considered good		
Inter-corporate deposits	7,667	2,825
Loans and advances to employees	362	380
(b) Credit impaired		
Loans and advances to employees	63	63
Less: Allowance on loans and advances to employees	(63)	(63)
	8,029	3,205

Inter-corporate deposits placed with financial institutions yield fixed interest rate.

Inter-corporate deposits Includes ₹ 600 crore and ₹ 619 crore as at March 31, 2019 and 2018, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

10) Other financial assets

Other financial assets consist of the following:

(A) Other financial assets - Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Security deposits	737	683
(b) Earmarked balances with banks	1	1
(c) Interest receivable	-	3
(d) Others	-	4
	738	691

(B) Other financial assets - Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Security deposits	154	217
(b) Fair value of foreign exchange derivative assets	585	89
(c) Interest receivable	834	534
(d) Others	196	35
	1,769	875

Interest receivable includes ₹ 46 crore and ₹ 11 crore as at March 31, 2019 and 2018, respectively, pertaining to trusts and TCS Foundation.

Notes forming part of the Consolidated Financial Statements

11) Income taxes

The income tax expense consists of the following:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current tax expense for current year	**10,024**	8,493
Current tax benefit pertaining to prior years	**(522)**	(228)
	9,502	8,265
Deferred tax		
Deferred tax expense / (benefit) for current year	**607**	(57)
Deferred tax expense / (benefit) pertaining to prior years	**(108)**	4
	499	(53)
Total income tax expense recognised in current year	**10,001**	8,212

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in consolidated statement of profit and loss is as follows:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before taxes	**41,563**	34,092
Indian statutory income tax rate	**34.94%**	34.61%
Expected income tax expense	**14,524**	11,799
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	**(4,829)**	(4,389)
Income exempt from tax	**(151)**	(194)
Undistributed earnings in branches and subsidiaries	**605**	486
Tax on income at different rates	**674**	472
Tax pertaining to prior years	**(630)**	(224)
Others (net)	**(192)**	262
Total income tax expense	**10,001**	8,212

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, profits from units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Notes forming part of the Consolidated Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment and intangible assets	43	50	-	2	95
Provision for employee benefits	395	128	8	-	531
Cash flow hedges	10	-	(22)	-	(12)
Receivables, financial assets at amortised cost	301	42	-	(3)	340
MAT credit entitlement	2,217	(1,047)	-	-	1,170
Branch profit tax	(400)	101	-	-	(299)
Undistributed earnings of subsidiaries	(605)	31	-	-	(574)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(2)	-	(149)	2	(149)
Operating lease liabilities	85	8	-	1	94
Others	235	188	-	(5)	418
Total deferred tax assets / (liabilities)	2,279	(499)	(163)	(3)	1,614

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2019	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and Intangible assets	212	117	95
Provision for employee benefits	532	1	531
Cash flow hedges	(12)	-	(12)
Receivables, financial assets at amortised cost	339	(1)	340
MAT credit entitlement	1,170	-	1,170
Branch profit tax	-	299	(299)
Undistributed earnings of subsidiaries	-	574	(574)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(149)	-	(149)
Operating lease liabilities	94	-	94
Others	470	52	418
Total deferred tax assets / (liabilities)	2,656	1,042	1,614

Notes forming part of the Consolidated Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	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

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

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

Under the 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.

Notes forming part of the Consolidated Financial Statements

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:

(₹ crore)

March 31,	Unabsorbed business losses
2020	2
2021	15
2022	5
2023	6
2024	16
Thereafter	-
	44

Under the 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 ₹ 1,170 crore.

Deferred tax liability on temporary differences of ₹ 8,456 crore as at March 31, 2019, associated with investments in subsidiaries, has not been recognised, as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received. The Company and its subsidiaries have contingent liability of ₹ 1,504 crore and ₹ 5,639 crore as at March 31, 2019 and 2018, respectively, in respect of tax demands which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants. In respect of tax contingencies of ₹ 318 crore and ₹ 318 crore as at March 31, 2019 and 2018, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2016 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2015 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2016 and earlier.

Notes forming part of the Consolidated Financial Statements

12) Other assets

Other assets consist of the following:

(A) Other assets - Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Considered good		
(a) Contract assets	**190**	-
(b) Prepaid expenses	**351**	356
(c) Prepaid rent	**339**	373
(d) Contract fulfillment costs	**174**	95
(e) Capital advances	**276**	106
(f) Advances to related parties	**3**	2
(g) Others	**30**	21
	1,363	953
Advances to related parties, considered good, comprise:		
Voltas Limited	**2**	2
Concorde Motors (India) Limited	**1**	-

(B) Other assets - Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Considered good		
(a) Contract assets	**3,238**	-
(b) Prepaid expenses	**614**	1,083
(c) Prepaid rent	**50**	54
(d) Contract fulfillment costs	**537**	463
(e) Advance to suppliers	**139**	144
(f) Advance to related parties	**2**	3
(g) Indirect taxes recoverable	**1,170**	699
(h) Other advances	**142**	41
(i) Others	**136**	97
Considered doubtful		
(a) Advance to suppliers	**3**	3
(b) Indirect taxes recoverable	**4**	2
(c) Other advances	**4**	3
Less: Allowance on doubtful assets	**(11)**	(8)
	6,028	2,584
Advance to related parties, considered good comprise:		
Tata AIG General Insurance Company Limited	**1**	1
The Titan Company Limited	**1**	2

Contract fulfillment costs of ₹ 665 crore and ₹ 607 crore for the years ended March 31, 2019 and 2018, respectively, have been amortised in the statement of profit and loss. Refer note 23 for changes in contract assets.

Notes forming part of the Consolidated Financial Statements

13) Inventories

Inventories consist of the following:

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Raw materials, sub-assemblies and components	**9**	25
(b)	Finished goods and work-in-progress*	**-**	-
(c)	Goods-in-transit (raw materials)*	**-**	-
(d)	Stores and spares	**1**	1
		10	26

*Represents value less than ₹ 0.50 crore.

Inventories are carried at lower of cost and net realisable value.

14) Trade receivables

Trade receivables (unsecured) consist of the following:

(A) Trade receivables - Non-current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Considered good	**569**	460
	Less: Allowance for doubtful trade receivables	**(474)**	(366)
		95	94

(B) Trade receivables - Current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Considered good	**27,629**	25,196
	Less: Allowance for doubtful trade receivables	**(340)**	(301)
		27,289	24,895
(b)	Credit impaired	**263**	211
	Less: Allowance for doubtful trade receivables	**(206)**	(163)
		57	48
		27,346	24,943

Above balances of trade receivables include balances with related parties (Refer note 35).

Notes forming part of the Consolidated Financial Statements

15) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Balances with banks		
In current accounts	**6,463**	4,487
In deposit accounts	**733**	328
(b) Cheques on hand	**2**	3
(c) Cash on hand*	**19**	-
(d) Remittances in transit	**7**	65
	7,224	4,883

*Represents value less than ₹ 0.50 crore.

Balances with banks in current accounts include ₹ 5 crore and ₹ 3 crore as at March 31, 2019 and 2018, respectively, pertaining to trusts held for specified purposes.

16) Other balances with banks

Other balances with banks consist of the following:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Earmarked balances with banks	**196**	222
(b) Short-term bank deposits	**5,428**	2,056
	5,624	2,278

Earmarked balances with banks significantly includes margin money for purchase of investments, margin money for derivative contracts and unclaimed dividends.

Notes forming part of the Consolidated Financial Statements

17) Share capital

The authorised, issued, subscribed and fully paid-up share capital comprises of:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Authorised		
(a) 460,05,00,000 equity shares of ₹ 1 each (March 31, 2018: 460,05,00,000 equity shares of ₹ 1 each)	**460**	460
(b) 105,02,50,000 preference shares of ₹ 1 each (March 31, 2018: 105,02,50,000 preference shares of ₹ 1 each)	**105**	105
	565	565
Issued, Subscribed and Fully paid up		
375,23,84,706 equity shares of ₹ 1 each (March 31, 2018: 191,42,87,591 equity shares of ₹ 1 each)	**375**	191
	375	191

The Board of Directors of the Company at its meeting held on April 19, 2018, approved a proposal to issue bonus shares in the ratio of one equity share of ₹ 1 each for every one equity share of ₹ 1 each held by the shareholders of the Company as on the record date, which was approved by the shareholders by means of an ordinary resolution through a postal ballot. The Company allotted 191,42,87,591 equity shares as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹ 86 crore and capital redemption reserve amounting to ₹ 106 crore.

The Board of Directors of the Company at its meeting held on June 15, 2018, approved a proposal to buyback of upto 7,61,90,476 equity shares of the Company for an aggregate amount not exceeding ₹ 16,000 crore being 1.99% of the total paid up equity share capital at ₹ 2,100 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 7,61,90,476 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on September 26, 2018. Capital redemption reserve was created to the extent of share capital extinguished (₹ 8 crore). The excess of cost of buy-back of ₹ 16,045 crore (including ₹ 45 crore towards transaction costs of buy-back) over par value of shares was offset from retained earnings.

In the previous year, the Company bought back 5,61,40,350 equity shares for an aggregate amount of ₹ 16,000 crore being 2.85% of the total paid up equity share capital at ₹ 2,850 per equity share. The equity shares bought back were extinguished on June 7, 2017.

(i) Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	**191,42,87,591**	**191**	197,04,27,941	197
Issued during the year	**191,42,87,591**	**192**	-	-
Shares extinguished on buy-back	**(7,61,90,476)**	**(8)**	(5,61,40,350)	(6)
Closing balance	**375,23,84,706**	**375**	191,42,87,591	191

Notes forming part of the Consolidated Financial Statements

(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

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Equity shares		
Holding company		
270,24,50,947 equity shares (March 31, 2018: 137,61,18,911 equity shares) are held by Tata Sons Private Limited	**270**	138
Subsidiaries and Associates of Holding company		
7,220 equity shares (March 31, 2018: 3,610 equity shares) are held by Tata Industries Limited*	-	-
NIL equity share (March 31, 2018: 2,06,000 equity shares) are held by Tata AIG Life Insurance Company Limited*	-	-
NIL equity share (March 31, 2018: 7,76,533 equity shares) are held by Tata AIA Life Insurance Company Limited*	-	-
10,36,269 equity shares (March 31, 2018: 5,27,110 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2018: 23,804 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2018: 383 equity shares) are held by The Tata Power Company Limited*	-	-
Total	**270**	138

*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, 2019	As at March 31, 2018
Equity shares		
Tata Sons Private Limited, the holding company	**270,24,50,947**	137,61,18,911
% of shareholding	**72.02%**	71.89%

(v) Equity shares movement during 5 years preceding March 31, 2019

(a) Bonus issue of equity shares

The Company allotted 191,42,87,591 equity shares as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹ 86 crore and capital redemption reserve amounting to ₹ 106 crore, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

Notes forming part of the Consolidated Financial Statements

(b) Buy-back of equity shares

The Company bought back 7,61,90,476 equity shares for an aggregate amount of ₹ 16,000 crore being 1.99% of the total paid up equity share capital at ₹ 2,100 per equity share. The equity shares bought back were extinguished on September 26, 2018.

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.

(c) 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.

18) Other equity

Other equity consist of the following:

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Capital reserve (on consolidation)	**75**	75
(b)	Securities premium		
	(i) Opening balance	**-**	1,919
	(ii) Utiilised for buy-back of equity shares*	**-**	(1,919)
		-	-
(c)	Capital redemption reserve		
	(i) Opening balance	**529**	523
	(ii) Transfer from retained earnings*	**8**	6
	(iii) Issue of bonus shares*	**(106)**	-
		431	529
(d)	General reserve		
	(i) Opening balance	**1,423**	10,549
	(ii) Transfer to retained earnings	**(1,396)**	(8)
	(iii) Utiilised for buy-back of equity shares*	**-**	(9,118)
		27	1,423
(e)	Special Economic Zone re-investment reserve		
	(i) Opening balance	**1,578**	97
	(ii) Transfer from retained earnings	**2,750**	1,579
	(iii) Transfer to retained earnings	**(3,334)**	(98)
		994	1,578

Notes forming part of the Consolidated Financial Statements

(₹ crore)

			As at March 31, 2019	As at March 31, 2018
(f)	Retained earnings			
	(i)	Opening balance	**79,755**	71,071
	(ii)	Profit for the year	**31,472**	25,826
	(iii)	Remeasurement of defined employee benefit plans	**(41)**	102
	(iv)	Utiilised for buy-back of equity shares*	**(15,992)**	(4,957)
	(v)	Expense relating to buy-back of equity shares*	**(45)**	(42)
	(vi)	Issue of bonus shares*	**(86)**	-
	(vii)	Realised loss on equity shares carried at fair value through OCI	**(1)**	-
	(viii)	Transfer from Special Economic Zone re-investment reserve	**3,334**	98
	(ix)	Transfer from general reserve	**1,396**	8
			99,792	92,106
	(x)	Less: Appropriations		
		(a) Dividend on equity shares	**10,085**	9,284
		(b) Tax on dividend	**1,339**	1,442
		(c) Transfer to capital redemption reserve*	**8**	6
		(d) Transfer to Special Economic Zone re-investment reserve	**2,750**	1,579
		(e) Transfer to statutory reserve	**90**	40
			85,520	79,755
(g)	Statutory reserve			
	(i)	Opening balance	**258**	218
	(ii)	Transfer from retained earnings	**90**	40
			348	258
(h)	Investment revaluation reserve			
	(i)	Opening balance	**(84)**	538
	(ii)	Net cumulative loss reclassified to retained earning on sale of financial assets carried at fair value	**1**	-
	(iii)	Change during the year (net)	**275**	(622)
			192	(84)
(i)	Cash flow hedging reserve (Refer note 30 b)			
	(i)	Opening balance	**(71)**	88
	(ii)	Change during the year (net)	**175**	(159)
			104	(71)
(j)	Foreign currency translation reserve			
	(i)	Opening balance	**1,474**	939
	(ii)	Change during the year (net)	**(94)**	535
			1,380	1,474
			89,071	84,937

*Refer note 17.

Notes forming part of the Consolidated Financial Statements

Other components of equity

Other components of equity consist of the following:

Investment revaluation reserve

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	**(84)**	538
Net loss arising on revaluation of financial assets carried at fair value	**(1)**	(84)
Net cumulative loss reclassified to retained earnings on sale of financial assets carried at fair value	**1**	-
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	**425**	(625)
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	**(149)**	216
Net cumulative (gain) / loss 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) / loss 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	**192**	(84)

19) Borrowings

Borrowings consist of the following:

(A) Borrowings - Non-current (secured loans)

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Long-term maturities of finance lease obligations	**44**	54
	44	54

Finance lease obligations are secured against property, plant and equipment obtained under finance lease arrangements (Refer note 29).

(B) Borrowings - Current (unsecured loans)

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Overdraft from banks	**-**	181
	-	181

Notes forming part of the Consolidated Financial Statements

20) Other financial liabilities

Other financial liabilities consist of the following:

(A) Other financial liabilities - Non-current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Capital creditors	**3**	18
(b)	Others	**284**	485
		287	503

Others include advance taxes paid of ₹ 226 crore and ₹ 227 crore as at March 31, 2019 and 2018, respectively, by the seller of TCS e-Serve Limited which (merged with the Company), on refund by the tax authorities, is payable to the seller.

(B) Other financial liabilities - Current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Accrued payroll	**3,203**	2,637
(b)	Current maturities of finance lease obligations	**18**	12
(c)	Unclaimed dividends	**41**	28
(d)	Fair value of foreign exchange derivative liabilities	**60**	91
(e)	Capital creditors	**303**	262
(f)	Liabilities towards customer contracts	**895**	776
(g)	Others	**383**	107
		4,903	3,913

Finance lease obligations are secured against property, plant and equipment obtained under finance lease arrangements (Refer note 29).

21) Provisions

Provisions consist of the following:

(A) Provisions - Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Provision for foreseeable loss	**-**	26
	-	26

(B) Provisions - Current

(₹ crore)

		As at March 31, 2019	As at March 31, 2018
(a)	Provision for foreseeable loss	**184**	199
(b)	Other provisions	**55**	41
		239	240

Notes forming part of the Consolidated Financial Statements

22) Other liabilities

Other liabilities consist of the following:

(A) Other liabilities - Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Operating lease liabilities	413	392
	413	392

(B) Other liabilities - Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Advance received from customers	575	796
(b) Indirect taxes payable and other statutory liabilities	2,526	1,986
(c) Operating lease liabilities	60	99
(d) Others	74	48
	3,235	2,929

23) Revenue

Revenue consists of the following:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Consultancy services	143,935	120,128
Sale of equipment and software licences	2,528	2,976
	146,463	123,104

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 32).

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 82,489 crore out of which 54.48% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Notes forming part of the Consolidated Financial Statements

Changes in contract assets are as follows:

(₹ crore)

	Year ended March 31, 2019
Balance at the beginning of the year	**2,882**
Revenue recognised during the year	**11,404**
Invoices raised during the year	**(10,893)**
Translation exchange difference	**35**
Balance at the end of the year	**3,428**

Changes in unearned and deferred revenue are as follows:

(₹ crore)

	Year ended March 31, 2019
Balance at the beginning of the year	**2,535**
Revenue recognised that was included in the unearned and deferred revenue balance at the beginning of the year	**(2,376)**
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**2,996**
Translation exchange difference	**81**
Balance at the end of the year	**3,236**

Reconciliation of revenue recognised with the contracted price is as follows:

(₹ crore)

	Year ended March 31, 2019
Contracted price	**148,649**
Reductions towards variable consideration components	**(2,186)**
Revenue recognised	**146,463**

The reduction towards variable consideration comprises of volume discounts, service level credits, etc.

24) Other income (net)

Other income (net) consists of the following:

(₹ crore)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Interest income	**2,762**	2,445
(b)	Dividend income	**18**	9
(c)	Net gain on investments carried at fair value through profit or loss	**427**	706
(d)	Net gain on sale of investments carried at amortised cost	**-**	4
(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	**84**	25
(g)	Net foreign exchange gains	**967**	163
(h)	Rent income	**6**	16
(i)	Other income	**47**	78
		4,311	3,642

Notes forming part of the Consolidated Financial Statements

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income comprise		
Interest on bank balances and bank deposits	**188**	62
Interest income on financial assets carried at amortised cost	**576**	245
Interest income on financial assets carried at fair value through OCI	**1,838**	1,727
Other interest (including interest on income tax refunds)	**160**	411
Dividend income comprises		
Dividend from mutual fund units	**18**	9

25) Employee benefits

Employee benefit expenses consist of the following:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Salaries, incentives and allowances	**70,642**	59,950
(b) Contributions to provident and other funds	**5,308**	4,505
(c) Staff welfare expenses	**2,296**	1,941
	78,246	66,396

Employee benefit obligations consist of the following:

(A) Employee benefit obligations - Non-current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Gratuity liability	**11**	3
(b) Foreign defined benefit plans	**232**	213
(c) Other employee benefit obligations	**87**	74
	330	290

(B) Employee benefit obligations - Current

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
(a) Compensated absences	**2,330**	1,995
(b) Other employee benefit obligations	**26**	23
	2,356	2,018

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. The Company manages the plan through a trust. Trustees administer contributions made to the trust. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

(₹ crore)

	Year ended March 31, 2019					Year ended March 31, 2018				
	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	2,308	3	626	103	3,040	2,084	4	537	81	2,706
Translation exchange difference	-	-	(5)	1	(4)	-	-	59	5	64
Plan participants' contribution	-	-	9	-	9	-	-	7	-	7
Service cost	289	1	14	19	323	273	1	12	19	305
Interest cost	190	-	9	4	203	159	-	9	3	171
Remeasurement of the net defined benefit liability	39	-	25	(2)	62	(86)	(2)	(12)	(3)	(103)
Past service cost / (credit)	-	-	(35)	1	(34)	-	-	33	2	35
Benefits paid	(147)	-	(14)	(6)	(167)	(122)	-	(19)	(4)	(145)
Benefit obligations, end of the year	2,679	4	629	120	3,432	2,308	3	626	103	3,040

(₹ crore)

	Year ended March 31, 2019					Year ended March 31, 2018				
	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	2,433	-	529	-	2,962	2,157	-	461	-	2,618
Translation exchange difference	-	-	(3)	-	(3)	-	-	52	-	52
Interest income	193	-	7	-	200	165	-	10	-	175
Employers' contributions	171	-	15	-	186	233	-	15	-	248
Plan participants' contribution	-	-	9	-	9	-	-	7	-	7
Benefits paid	(147)	-	(14)	-	(161)	(122)	-	(19)	-	(141)
Remeasurement - return on plan assets excluding amount included in interest income	22	-	(11)	-	11	-	-	3	-	3
Fair value of plan assets, end of the year	2,672	-	532	-	3,204	2,433	-	529	-	2,962

Notes forming part of the Consolidated Financial Statements

(₹ crore)

	As at March 31, 2019					As at March 31, 2018				
	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	(7)	(4)	(112)	(120)	(243)	-	(3)	(110)	(103)	(216)
Surplus of plan assets over obligations	-	-	15	-	15	125	-	13	-	138
	(7)	(4)	(97)	(120)	(228)	125	(3)	(97)	(103)	(78)

(₹ crore)

	As at March 31, 2019					As at March 31, 2018				
	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	684	-	101	-	785	560	-	50	-	610
Equity shares	20	-	67	-	87	116	-	-	-	116
Government bonds and securities	1,150	-	-	-	1,150	996	-	-	-	996
Insurer managed funds	760	-	32	-	792	714	-	224	-	938
Bank balances	6	-	16	-	22	5	-	1	-	6
Others	52	-	316	-	368	42	-	254	-	296
Total	2,672	-	532	-	3,204	2,433	-	529	-	2,962

Net periodic gratuity / pension cost, included in employee cost consists of the following components:

(₹ crore)

	Year ended March 31, 2019					Year ended March 31, 2018				
	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	289	1	14	19	323	273	1	12	19	305
Net interest on net defined benefit (asset) / liability	(3)	-	2	4	3	(6)	-	(1)	3	(4)
Past service cost / (credit)	-	-	(35)	1	(34)	-	-	33	2	35
Net periodic gratuity / pension cost	286	1	(19)	24	292	267	1	44	24	336
Actual return on plan assets	215	-	(4)	-	211	165	-	13	-	178

Notes forming part of the Consolidated Financial Statements

Remeasurement of the net defined benefit (asset) / liability:

(₹ crore)

	Year ended March 31, 2019				
	Domestic plans Funded	**Domestic plans Unfunded**	**Foreign plans Funded**	**Foreign plans Unfunded**	**Total**
Actuarial (gains) and losses arising from changes in demographic assumptions	**(17)**	**-**	**9**	**(3)**	**(11)**
Actuarial (gains) and losses arising from changes in financial assumptions	**-**	**-**	**(15)**	**2**	**(13)**
Actuarial (gains) and losses arising from changes in experience adjustments	**56**	**-**	**31**	**(1)**	**86**
Remeasurement of the net defined benefit liability	**39**	**-**	**25**	**(2)**	**62**
Remeasurement - return on plan assets excluding amount included in interest income	**(22)**	**-**	**11**	**-**	**(11)**
Total	**17**	**-**	**36**	**(2)**	**51**

(₹ crore)

	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)

The assumptions used in accounting for the defined benefit plan are set out below:

	Year ended March 31, 2019		Year ended March 31, 2018	
	Domestic plans	**Foreign plans**	Domestic plans	Foreign plans
Discount rate	**7.00%-7.75%**	**0.75%-9.00%**	7.25%-7.75%	0.60%-7.75%
Rate of increase in compensation levels of covered employees	**6.00%-8.00%**	**1.25%-7.00%**	5.00%-8.00%	1.25%-6.00%
Rate of return on plan assets	**7.00%-7.75%**	**0.75%-9.00%**	7.25%-7.75%	0.60%-7.75%
Weighted average duration of defined benefit obligations	**8-11 years**	**6.25-27 years**	8-12 years	5-28 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, 2019. The Group is expected to contribute ₹ 330 crore to defined benefit plan obligations funds for the year ended March 31, 2020 comprising domestic component of ₹ 315 crore and foreign component of ₹ 15 crore.

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The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Increase of 0.50%	**(157)**	(143)
Decrease of 0.50%	**175**	158

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Increase of 0.50%	**120**	96
Decrease of 0.50%	**(113)**	(90)

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, 2019 as follows:

(₹ crore)

Year ending March 31,	**Defined benefit obligations**
2020	**262**
2021	**231**
2022	**242**
2023	**244**
2024	**242**
2025-2029	**1,274**

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

Notes forming part of the Consolidated Financial Statements

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.

The details of fund and plan assets are given below:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets	**14,555**	13,084
Present value of defined benefit obligations	**(14,555)**	(13,084)
Net excess / (shortfall)	**-**	-

The plan assets have been primarily invested in Government securities and corporate bonds.

The principal assumptions used in determining the present value obligations of interest guarantee under the deterministic approach are as follows:

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
Discount rate	**7.75%**	7.75%
Average remaining tenure of investment portfolio	**8.38 years**	7.95 years
Guaranteed rate of return	**8.65%**	8.55%

The Group contributed ₹ 917 crore and ₹ 848 crore for the years ended March 31, 2019 and 2018, respectively, 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 ₹ 324 crore and ₹ 264 crore for the years ended March 31, 2019 and 2018, respectively, to the Employees' Superannuation Fund.

Foreign defined contribution plans

The Group contributed ₹ 1,161 crore and ₹ 927 crore for the years ended March 31, 2019 and 2018, respectively, towards foreign defined contribution plans.

Notes forming part of the Consolidated Financial Statements

26) Cost of equipment and software licences

Cost of equipment and software licences include:

(₹ crore)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Raw materials, sub-assemblies and components consumed	**40**	86
(b)	Equipment and software licences purchased	**2,230**	2,614
		2,270	2,700
	Finished goods and work-in-progress		
	Opening stock	**-**	1
	Less: Closing stock*	**-**	-
		-	1

*Represents value less than ₹ 0.50 crore.

27) Other expense

Other expenses consist of the following:

(₹ crore)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Fees to external consultants	**11,330**	8,992
(b)	Facility expenses	**4,262**	3,938
(c)	Travel expenses	**3,474**	2,816
(d)	Communication expenses	**1,321**	1,062
(e)	Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**187**	206
(f)	Other expenses	**5,867**	4,478
		26,441	21,492

The Company made a contribution to an electoral trust of ₹ 220 crore and NIL for the years ended March 31, 2019 and 2018, respectively, which is included in other expenses.

28) Research and development expenditure including capital expenditure aggregating ₹ 308 crore and ₹ 298 crore was incurred in the years ended March 31, 2019 and 2018, respectively.

29) 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 ₹ 2,181 crore and ₹ 1,998 crore for the years ended March 31, 2019 and 2018, respectively.

Notes forming part of the Consolidated Financial Statements

The following is a summary of future minimum lease rental commitments towards non-cancellable operating leases and finance leases:

(₹ crore)

Operating lease	**As at March 31, 2019**	As at March 31, 2018
Due within one year	**863**	897
Due in a period between one year and five years	**2,676**	3,053
Due after five years	**2,330**	1,061
Total minimum lease commitments	**5,869**	5,011

(₹ crore)

Finance lease	**As at March 31, 2019**		As at March 31, 2018	
	Minimum lease commitments	**Present value of minimum lease commitments**	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	**24**	**18**	20	12
Due in a period between one year and five years	**55**	**44**	62	45
Due after five years	**-**	**-**	10	9
Total minimum lease commitments	**79**	**62**	92	66
Less: Interest	**(17)**		(26)	
Present value of minimum lease commitments	**62**		66	

(₹ crore)

Receivables under sub-leases	**As at March 31, 2019**	As at March 31, 2018
Due within one year	**3**	6
Due in a period between one year and five years	**4**	7
Total	**7**	13

Income from sub-leases of ₹ 6 crore and ₹ 16 crore have been recognised in the statement of profit and loss for the years ended March 31, 2019 and 2018, respectively.

Notes forming part of the Consolidated Financial Statements

30) 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, 2019 is as follows:

(₹ crore)

	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	-	-	-	-	7,224	7,224
Bank deposits	-	-	-	-	5,428	5,428
Earmarked balances with banks	-	-	-	-	197	197
Investments	3,808	24,830	-	-	692	29,330
Trade receivables	-	-	-	-	27,441	27,441
Unbilled receivables	-	-	-	-	5,548	5,548
Loans receivables	-	-	-	-	8,089	8,089
Other financial assets	-	-	237	348	1,921	2,506
Total	3,808	24,830	237	348	56,540	85,763
Financial liabilities						
Trade payables	-	-	-	-	6,292	6,292
Borrowings	-	-	-	-	44	44
Other financial liabilities	218	-	-	60	4,912	5,190
Total	218	-	-	60	11,248	11,526

*Loans receivables include inter-corporate deposits of ₹ 7,725 crore, 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, 2018 is as follows:

(₹ crore)

	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 receivables	-	-	-	-	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 receivables include inter-corporate deposits of ₹ 4,797 crore, with original maturity period within 50 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables (previous year: unbilled revenues, loans receivables and trade payables as at March 31, 2019 and 2018, 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 periods presented. Fair value of investments carried at amortised cost is ₹ 704 crore and ₹ 192 crore as at March 31, 2019 and 2018, respectively.

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

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):

(₹ crore)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	3,745	63	-	3,808
Equity shares	-	-	58	58
Government bonds and securities	23,743	-	-	23,743
Certificate of deposits	491	-	-	491
Corporate bonds	1,243	-	-	1,243
Derivative financial assets	-	585	-	585
Total	29,222	648	58	29,928
Financial liabilities				
Derivative financial liabilities	-	60	-	60
Other financial liabilities	-	-	218	218
Total	-	60	218	278

(₹ crore)

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
Government bonds and securities	25,393	-	-	25,393
Corporate bonds	771	-	-	771
Derivative financial assets	-	89	-	89
Total	35,899	148	58	36,105
Financial liabilities				
Derivative financial liabilities	-	91	-	91
Other financial liabilities	-	-	203	203
Total	-	91	203	294

Reconciliation of Level 3 fair value measurement is as follows:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	58	141
Disposals during the year	(3)	-
Impairment in value of investments	-	(83)
Translation exchange difference	3	-
Balance at the end of the year	58	58

Notes forming part of the Consolidated Financial Statements

(b) Derivative financial instruments and hedging activity

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

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

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

Foreign currency	**As at March 31, 2019**			As at March 31, 2018		
	No. of contracts	**Notional amount of contracts (In millions)**	**Fair value (₹ crore)**	No. of contracts	Notional amount of contracts (In millions)	Fair value (₹ crore)
US Dollar	**28**	**1,000**	**128**	24	1,466	20
Great Britain Pound	**24**	**177**	**23**	34	263	(23)
Euro	**33**	**239**	**50**	26	216	1
Australian Dollar	**26**	**181**	**22**	21	150	12
Canadian Dollar	**21**	**99**	**14**	-	-	-

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

(₹ crore)

	Year ended March 31, 2019		Year ended March 31, 2018	
	Intrinsic value	**Time value**	Intrinsic value	Time value
Balance at the beginning of the year	**(2)**	**(69)**	105	(17)
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	**(488)**	**458**	(127)	340
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	**94**	**(25)**	15	(38)
Change in the fair value of effective portion of cash flow hedges	**641**	**(414)**	5	(399)
Deferred tax on fair value of effective portion of cash flow hedges	**(111)**	**20**	-	45
Balance at the end of the year	**134**	**(30)**	(2)	(69)

In addition to the above cash flow hedges, the Group has outstanding foreign exchange forward, currency options and futures contracts with notional amount aggregating ₹ 34,939 crore and ₹ 22,404 crore whose fair value showed a net gain of ₹ 288 crore and net loss of ₹ 12 crore as at March 31, 2019 and 2018, respectively. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange gain of ₹ 408 crore and exchange loss of ₹ 52 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the consolidated statement of profit and loss for the years ended March 31, 2019 and 2018, respectively.

Net foreign exchange gains include gain of ₹ 30 crore and exchange loss of ₹ 213 crore transferred from cash flow hedging reserve for the years ended March 31, 2019 and 2018, respectively.

Notes forming part of the Consolidated Financial Statements

Net gain on derivative instruments of ₹ 104 crore recognised in cash flow hedging reserve as at March 31, 2019, is expected to be transferred to the statement of profit and loss by March 31, 2020. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2019.

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

(₹ crore)

	As at March 31, 2019	As at March 31, 2018
10% Appreciation of the underlying foreign currencies	**(64)**	(323)
10% Depreciation of the underlying foreign currencies	**1,370**	1,054

(c) Financial risk management

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

(i) Market risk

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

(i) (a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated 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 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 30(b).

The following table sets forth information relating to foreign currency exposure as at March 31, 2019:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	**2,519**	**321**	**500**	**1,285**
Net financial liabilities	**(82)**	**-**	**(10)**	**(308)**

Notes forming part of the Consolidated Financial Statements

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 ₹ 423 crore for the year ended March 31, 2019.

The following table sets forth information relating to foreign currency exposure as at March 31, 2018:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	2,481	349	266	1,228
Net financial liabilities	(298)	(1)	(6)	(359)

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 crore for the year ended March 31, 2018.

(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 receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹ 7,725 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹ 4,870 crore held with two Indian banks having high credit rating which are individually in excess of 10% or more of the Group's total bank deposits as at year ended March 31, 2019. 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 ₹ 89,172 crore and ₹ 81,771 crore as at March 31, 2019 and 2018, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, unbilled receivables (previous year: unbilled revenue), contract assets and other financial assets.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables (previous year: unbilled revenue) and contract assets as at March 31, 2019 and 2018.

Geographic concentration of credit risk

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

	As at March 31, 2019		As at March 31, 2018	
	Gross%	**Net%**	Gross%	Net%
United States of America	**45.95**	**46.67**	41.83	42.49
India	**11.83**	**10.37**	14.29	13.00
United Kingdom	**14.12**	**14.30**	13.46	13.59

Geographical concentration of trade receivables, unbilled receivables (previous year: unbilled revenue) and contract assets is allocated based on the location of the customers.

Notes forming part of the Consolidated Financial Statements

(iii) Liquidity risk

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

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

(₹ crore)

March 31, 2019	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	6,292	-	-	-	6,292
Borrowings	-	18	37	-	55
Other financial liabilities	4,843	12	227	48	5,130
	11,135	30	264	48	11,477
Derivative financial liabilities	60	-	-	-	60
Total	11,195	30	264	48	11,537

(₹ crore)

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

31) Earnings per share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (₹ crore)	31,472	25,826
Weighted average number of equity shares	378,97,49,350	384,91,85,612
Earnings per share basic and diluted (₹)	83.05	67.10
Face value per equity share (₹)	1	1

Pursuant to issue of bonus shares, the weighted average number of equity shares and earnings per share of the previous periods have been accordingly re-stated.

32) 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.

Notes forming part of the Consolidated Financial Statements

The Group has identified business segments ('industry vertical') as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance, 2) Manufacturing, 3) Retail and Consumer Business, 4) Communication, Media and Technology and 5) Others such as Energy, Resources and Utilities, Life 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.

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, 2019 and 2018 is as follows:

Year ended March 31, 2019 (₹ crore)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	57,938	15,682	25,164	23,925	23,754	146,463
Segment result	16,089	4,311	6,871	6,644	5,554	39,469
Total Unallocable expenses						2,217
Operating income						37,252
Other income (net)						4,311
Profit before taxes						41,563
Tax expense						10,001
Profit for the year						31,562
Depreciation and amortisation expense	35	-	-	-	2	37
Depreciation and amortisation expense (unallocable)						2,019
Significant non-cash items (allocable)	6	3	27	27	124	187

As at March 31, 2019 (₹ crore)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Segment assets	13,650	4,305	6,982	6,042	7,945	38,924
Unallocable assets						76,019
Total assets						114,943
Segment liabilities	3,167	262	535	452	1,081	5,497
Unallocable liabilities						19,547
Total liabilities						25,044

Notes forming part of the Consolidated Financial Statements

Year ended March 31, 2018 (₹ crore)

	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	123,104
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 (₹ crore)

	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						106,296
Segment liabilities	2,661	178	478	428	780	4,525
Unallocable liabilities						16,241
Total liabilities						20,766

Geographical revenue is allocated based on the location of the customers.

Information regarding geographical revenue is as follows:

(₹ crore)

Geography	**Year ended March 31, 2019**	Year ended March 31, 2018
Americas (1)	**77,562**	66,145
Europe (2)	**43,456**	34,155
India	**8,393**	7,921
Others	**17,052**	14,883
Total	**146,463**	123,104

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:

(₹ crore)

Geography	As at March 31, 2019	As at March 31, 2018
Americas (3)	**1,531**	1,354
Europe (4)	**2,250**	1,694
India	**14,313**	14,699
Others	**539**	588
Total	**18,633**	18,335

i. (1) and (3) are substantially related to operations in the United States of America.

ii. (2) includes revenue in the United Kingdom of ₹ 22,862 crore and ₹ 17,625 crore for the years ended March 31, 2019 and 2018, respectively.

iii. (4) includes non-current assets from operations in the United Kingdom of ₹ 891 crore and ₹ 568 crore as at March 31, 2019 and 2018, respectively.

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2019 and 2018, respectively.

33) Commitments and contingent liabilities

Capital commitments

The Group has contractually committed (net of advances) ₹ 1,289 crore and ₹ 783 crore as at March 31, 2019 and 2018, respectively, for purchase of property, plant and equipment.

Contingencies

Direct tax matters

Refer note 11.

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. The Company and its subsidiaries in India have demands amounting to ₹ 392 crore and ₹ 305 crore as at March 31, 2019 and 2018, respectively from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

Other claims

Claims aggregating ₹ 3,227 crore and ₹ 3,000 crore as at March 31, 2019 and 2018, respectively, against the Group 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 unfavourable jury verdict awarding damages totalling ₹ 6,499 crore (US $ 940 million) to Epic. In September 2017, the Company received a Court order reducing the damages from ₹ 6,499 crore (US $ 940 million) to ₹ 2,904 crore (US $ 420 million) to Epic. Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹ 3,042 crore (US $ 440 million) as financial security in order to stay execution of the judgment pending post-judgment proceedings and appeal. Pursuant to reaffirmation of the court order in March 2019, the Company has filed a notice of appeal in the superior Court to fully set aside the Order. 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. Accordingly, an amount of ₹ 3,042 crore (US $ 440 million) is disclosed as contingent liability which is included in the claims not acknowledged as debts.

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.

34) Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests

Name of the entity	Country of incorporation	% of voting power as at March 31, 2019	% of voting power as at March 31, 2018	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of Total comprehensive income	Amount (₹ crore)
Tata Consultancy Services Limited	India	-	-	82.19	78,898	84.14	30,065	106.60	436	84.40	30,501
Subsidiaries (held directly)											
Indian											
APTOnline Limited	India	89.00	89.00	0.09	88	0.07	25	-	-	0.07	25
MP Online Limited	India	89.00	89.00	0.10	95	0.06	21	-	-	0.06	21
C-Edge Technologies Limited	India	51.00	51.00	0.21	199	0.18	64	-	-	0.18	64
MahaOnline Limited	India	74.00	74.00	0.07	66	0.04	15	-	-	0.04	15
TCS e-Serve International Limited	India	100.00	100.00	0.15	148	(0.16)	(58)	-	-	(0.16)	(58)
TCS Foundation	India	100.00	100.00	0.74	713	0.21	76	-	-	0.21	76
Foreign											
Diligenta Limited	UK	100.00	100.00	0.98	939	0.63	226	(0.24)	(1)	0.62	225
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00	0.84	805	1.14	409	-	-	1.13	409
Tata America International Corporation	USA	100.00	100.00	2.43	2,337	4.91	1,754	-	-	4.85	1,754
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00	0.55	530	0.31	109	-	-	0.30	109
Tata Consultancy Services Belgium	Belgium	100.00	100.00	0.35	338	0.45	161	-	-	0.45	161
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00	0.55	526	0.64	227	-	-	0.63	227
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00	3.36	3,226	2.34	836	-	-	2.31	836
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00	0.48	460	0.49	176	-	-	0.49	176
TCS FNS Pty Limited	Australia	100.00	100.00	0.15	148	0.09	31	-	-	0.09	31
TCS Iberoamerica SA	Uruguay	100.00	100.00	1.50	1,443	0.58	208	-	-	0.58	208
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.05	51	0.10	34	-	-	0.09	34
CMC Americas, Inc.	USA	100.00	100.00	0.08	76	0.09	31	-	-	0.09	31
Tata Consultancy Services Qatar S.S.C.	Qatar	100.00	100.00	0.04	43	0.03	10	-	-	0.03	10
W12 Studios Limited (w.e.f. October 31, 2018)	UK	100.00	-	0.02	23	-	1	-	-	-	1

Notes forming part of the Consolidated Financial Statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2019	% of voting power as at March 31, 2018	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of Total comprehensive income	Amount (₹ crore)
Subsidiaries (held indirectly)											
Foreign											
CMC eBiz, Inc. (w.e.f. June 19, 2018)	USA	-	100.00	-	-	-	-	-	-	-	-
TCS e-Serve America, Inc.	USA	100.00	100.00	0.06	55	0.09	31	-	-	0.09	31
Tata Consultancy Services (China) Co., Ltd.	China	93.20	93.20	0.18	175	0.09	33	-	-	0.09	33
Tata Consultancy Services Japan, Ltd.	Japan	51.00	51.00	1.19	1,138	0.54	194	-	-	0.54	194
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00	0.15	143	0.04	14	-	-	0.04	14
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00	0.03	32	0.04	14	-	-	0.04	14
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00	0.19	186	0.04	14	(0.24)	(1)	0.04	13
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00	0.02	17	0.01	3	-	-	0.01	3
TCS Italia s.r.l.	Italy	100.00	100.00	0.02	21	0.03	12	-	-	0.03	12
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00	0.08	81	0.09	31	-	-	0.09	31
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00	0.29	282	0.40	142	(6.60)	(27)	0.32	115
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00	0.01	5	0.01	4	-	-	0.01	4
Tata Consultancy Services Danmark ApS	Denmark	100.00	100.00	-	4	-	1	-	-	-	1
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00	0.03	25	0.01	5	-	-	0.01	5
Tata Consultancy Services (Portugal) Unipessoal, Limitada	Portugal	100.00	100.00	-	(3)	0.01	5	-	-	0.01	5
Tata Consultancy Services France SA	France	100.00	100.00	(0.39)	(378)	(0.15)	(52)	0.73	3	(0.14)	(49)
Tata Consultancy Services Saudi Arabia	Saudi Arabia	76.00	76.00	0.18	175	0.20	71	-	-	0.20	71
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.08	79	0.10	37	-	-	0.10	37
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00	0.02	16	0.02	6	-	-	0.02	6
TCS Financial Solutions Australia Holdings Pty Limited	Australia	100.00	100.00	0.05	48	0.07	26	-	-	0.07	26
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00	0.14	133	0.11	39	-	-	0.11	39
TCS Solution Center S.A.	Uruguay	100.00	100.00	0.23	222	0.24	87	-	-	0.24	87
TCS Uruguay S.A.	Uruguay	100.00	100.00	0.06	62	0.13	45	-	-	0.12	45
Tata Consultancy Services Argentina S.A. (w.e.f. September 6, 2018)	Argentina	100.00	99.99	0.02	18	(0.07)	(26)	-	-	(0.07)	(26)

Notes forming part of the Consolidated Financial Statements

Name of the entity	Country of incorporation	% of voting power as at March 31, 2019	% of voting power as at March 31, 2018	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of Total comprehensive income	Amount (₹ crore)
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00	0.16	158	0.25	89	-	-	0.25	89
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00	0.85	814	0.57	205	-	-	0.57	205
MGDC S.C.	Mexico	100.00	100.00	0.21	201	0.20	73	0.73	3	0.21	76
TCS Inversiones Chile Limitada	Chile	100.00	100.00	0.34	326	0.30	108	-	-	0.30	108
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00	0.49	470	0.13	45	-	-	0.12	45
Technology Outsourcing S.A.C.	Peru	100.00	100.00	0.01	11	0.01	4	-	-	0.01	4
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00	0.07	70	0.11	35	(0.98)	(4)	0.06	31
Trusts	India	-	-	0.30	256	0.04	14	-	-	0.05	14
TOTAL				**100.00**	**95,994**	**100.00**	**35,730**	**100.00**	**409**	**100.00**	**36,139**
a) Adjustments arising out of consolidation					**(6,095)**		**(4,168)**		**(85)**		**(4,253)**
b) Non-controlling interests											
Indian Subsidiaries											
APTOnline Limited					(10)		(3)		-		(3)
MP Online Limited					(10)		(2)		-		(2)
C-Edge Technologies Limited					(93)		(24)		-		(24)
MahaOnline Limited					(16)		(5)		-		(5)
Foreign Subsidiaries											
Tata Consultancy Services (China) Co., Ltd.					(12)		(2)		(3)		(5)
Tata Consultancy Services Japan, Ltd.					(312)		(54)		(6)		(60)
TOTAL					**(453)**		**(90)**		**(9)**		**(99)**
TOTAL					**89,446**		**31,472**		**315**		**31,787**

Notes forming part of the Consolidated Financial Statements

35) Related party transactions

Tata Consultancy Services Limited's principal related parties consist of its holding company Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business. Refer note 34 for list of subsidiaries of the Company.

Transactions and balances with its own subsidiaries are eliminated on consolidation.

Transactions with related parties are as follows:

(₹ crore)

	Year ended March 31, 2019				
	Tata Sons Private Limited	**Subsidiaries of Tata Sons Private Limited**	**Associates / joint ventures of Tata Sons Private Limited and their subsidiaries**	**Other related parties**	**Total**
Revenue	**27**	**298**	**2,241**	**-**	**2,566**
Purchases of goods and services (including reimbursements)	**1**	**447**	**378**	**-**	**826**
Brand equity contribution	**167**	**-**	**-**	**-**	**167**
Facility expenses	**1**	**37**	**17**	**-**	**55**
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**-**	**(7)**	**1**	**-**	**(6)**
Contribution to post employment benefit plans	**-**	**-**	**-**	**816**	**816**
Purchase of property, plant and equipment	**-**	**2**	**48**	**-**	**50**
Loans and advances given	**-**	**2**	**2**	**-**	**4**
Loans and advances recovered	**-**	**-**	**3**	**-**	**3**
Dividend paid	**7,254**	**3**	**-**	**-**	**7,257**
Buy-back of shares	**10,455**	**4**	**-**	**-**	**10,459**
Issue of bonus shares*	**-**	**-**	**-**	**-**	**-**

*Refer note 17.

(₹ crore)

	Year ended March 31, 2018				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue	13	260	1,993	-	2,266
Purchases of goods and services (including reimbursements)	5	37	571	-	613
Brand equity contribution	185	-	-	-	185
Facility expense	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

Notes forming part of the Consolidated Financial Statements

Balances receivable from related parties are as follows:

(₹ crore)

	As at March 31, 2019			
	Tata Sons Private Limited	**Subsidiaries of Tata Sons Private Limited**	**Associates / joint ventures of Tata Sons Private Limited and their subsidiaries**	**Total**
Trade receivables and unbilled receivables	**8**	**118**	**647**	**773**
Loans receivables, other financial assets and other assets	**3**	**28**	**6**	**37**
Total	**11**	**146**	**653**	**810**

(₹ crore)

	As at March 31, 2018			
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade receivables and unbilled revenue	8	122	637	767
Loans receivables, other financial assets and other assets	3	27	7	37
Total	11	149	644	804

Balances payable to related parties are as follows:

(₹ crore)

	As at March 31, 2019			
	Tata Sons Private Limited	**Subsidiaries of Tata Sons Private Limited**	**Associates / joint ventures of Tata Sons Private Limited and their subsidiaries**	**Total**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**170**	**106**	**129**	**405**
Commitments	**-**	**14**	**53**	**67**

(₹ crore)

	As at March 31, 2018			
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	165	22	206	393
Commitments	-	8	39	47

Notes forming part of the Consolidated Financial Statements

Transactions with key management personnel are as follows:

(₹ crore)

	Year ended March 31, 2019	Year ended March 31, 2018
Short-term benefits	33	27
Dividend paid during the year	1	1
Total	**34**	28

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) The sitting fees and commission paid to non-executive directors is ₹ 12 crore and ₹ 13 crore as at March 31, 2019 and 2018, respectively.

37) Subsequent events

Dividends paid during the year ended March 31, 2019 include an amount of ₹ 29 per equity share towards final dividend for the year ended March 31, 2018 and an amount of ₹ 12 per equity share towards interim dividends for the year ending March 31, 2019. 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 dividends for the year ending March 31, 2018.

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 12, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 18 per share in respect of the year ending March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 8,142 crore, inclusive of corporate dividend tax of ₹ 1,388 crore.

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 12, 2019

For and on behalf of the Board

N Chandrasekaran *Chairman*

V Ramakrishnan *CFO*

O P Bhatt *Director*

Hanne Birgitte Breinbjerg Sorensen *Director*

Rajesh Gopinathan *CEO and Managing Director*

Aman Mehta *Director*

Aarthi Subramanian *Director*

Dr Pradeep Kumar Khosla *Director*

N Ganapathy Subramaniam *COO and Executive Director*

Dr Ron Sommer *Director*

Keki M Mistry *Director*

Daniel Hughes Callahan *Director*

Rajendra Moholkar *Company Secretary*