

DON'T  
STAPLE**OS AA01**Statement of details of parent law and other  
information for an overseas company

Companies House

✓ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law.

✗ **What this form is NOT for**  
You cannot use this form to register  
an alteration of manner of compliance  
with accounting requirements.

SATURDAY



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A05

02/07/2022

#283

COMPANIES HOUSE

**Part 1 Corporate company name**Corporate name of  
overseas company ①

TATA CONSULTANCY SERVICES LIMITED

B R 0 0 7 6 2 7 &amp;

UK establishment  
number

B R 0 2 0 3 9 7

→ **Filling in this form**Please complete in typescript or in  
bold black capitals.All fields are mandatory unless  
specified or indicated by \*① This is the name of the company in  
its home state.**Part 2 Statement of details of parent law and other  
information for an overseas company****A1 Legislation**Please give the legislation under which the accounts have been prepared and  
audited.

Legislation ②

COMPANIES ACT, 1956

② This means the relevant rules or  
legislation which regulates the  
preparation of accounts.**A2 Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3**.☒ **Yes.** Please enter the name of the organisation or other  
body which issued those principles below, and then go to **Section A3**.③ Please insert the name of the  
appropriate accounting organisation  
or body.Name of organisation  
or body ③

INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

## OS AA01

Statement of details of parent law and other information for an overseas company

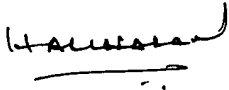
**A3**

### Audited accounts

Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	<p>① Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ①	INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA	

### Part 3

### Signature

	I am signing this form on behalf of the overseas company.	
Signature	<p>Signature</p> <p>X  X</p>	
	This form may be signed by: Director, Secretary, Permanent representative.	

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **HARIHARAN SUBRAMANIAN**

Company name **TATA CONSULTANCY SERVICES LIM.**

Address **18 GROSVENOR PLACE**

Post town **LONDON**

County/Region

Postcode **S W 1 X 7 H S**

Country **UNITED KINGDOM**

DX

Telephone **02031552460**



## Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



## Important information

Please note that all this information will appear on the public record.



## Where to send

You may return this form to any Companies House address:

### England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1

### Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.



## Further information

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

# B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000  
Fax: +91 22 6257 1010

## Independent Auditor's Report

### To the Members of Tata Consultancy Services Limited

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the standalone financial statements of Tata Consultancy Services Limited (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at 31 March 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

##### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report (Continued)

### Tata Consultancy Services Limited

#### Key Audit Matters (Continued)

##### Description of Key Audit Matter

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition– Fixed price contracts</b></p> <p>The Company inter alia engages in Fixed-price contracts, wherein, revenue is recognized using the percentage of completion computed as per the input method based on the Company's estimate of contract costs (Refer Note 4(a) and Note 10 to the standalone financial statements).</p> <p>We identified revenue recognition of fixed price contracts where the percentage of completion is used as a Key Audit Matter since –</p> <ul style="list-style-type: none"> <li>• there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognised considering the customised and complex nature of these contracts and significant inputs of IT systems;</li> <li>• application of revenue recognition accounting standard (Ind AS 115, Revenue from Contracts with customers) is complex and involves a number of key judgments and estimates mainly in identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation;</li> <li>• these contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company; and</li> <li>• at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet.</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the systems, processes and controls implemented by the Company for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.</li> <li>• Including involvement of our Information technology ('IT') specialists, as required: <ul style="list-style-type: none"> <li>➤ Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised;</li> <li>➤ Tested the IT controls over appropriateness of cost and revenue reports generated by the system;</li> <li>➤ Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorized recording/changes to costs incurred; and</li> <li>➤ Tested on a random sampling basis the controls relating to the estimation of contract costs required to complete the respective projects.</li> </ul> </li> <li>• On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard including– <ul style="list-style-type: none"> <li>➤ Evaluated the identification of performance obligations and the ascribed transaction price;</li> <li>➤ For testing Company's computation of the estimation of contract costs and onerous obligations, if any. We: <ul style="list-style-type: none"> <li>• assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel;</li> <li>• performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract;</li> <li>• assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and</li> <li>• inspected underlying documents and performed analytics to determine reasonableness of contract costs.</li> </ul> </li> </ul> </li> </ul>

## **Independent Auditor's Report (*Continued*)**

### **Tata Consultancy Services Limited**

#### **Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

#### **Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

## **Independent Auditor's Report (*Continued*)**

### **Tata Consultancy Services Limited**

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements (*Continued*)**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Independent Auditor's Report (*Continued*)**

### **Tata Consultancy Services Limited**

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 19 to the standalone financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



**Independent Auditors' Report (Continued)**  
**Tata Consultancy Services Limited**

**Report on Other Legal and Regulatory Requirements (Continued)**

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**AMIT**  
**SOMANI**

Digitally signed  
by AMIT SOMANI  
Date: 2022.04.11  
21:35:17 +05'30'

**Amit Somani**  
*Partner*

Membership No: 060154  
UDIN: 22060154AGVEXH5342

Mumbai  
11 April 2022

## Tata Consultancy Services Limited

### **Annexure A to the Independent Auditor's report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to one company during the year, details of the loan is stated in sub-clause (a) below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

## Tata Consultancy Services Limited

### Annexure A to the Independent Auditor's report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022 (Continued)

- (a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiaries.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to a party other than subsidiaries as below:

Particulars	Amount (Rs. in crores)
Aggregate amount during the year - Others	13,655
Balance outstanding as at balance sheet date - Others	5,386

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

## Tata Consultancy Services Limited

### Annexure A to the Independent Auditor's report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022 (Continued)

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	i. Amount (Rs in crores) **	Period	Forum where dispute is pending
The Income-tax Act, 1961	Income-tax	4,181	Assessment Year - 2007-08, 2011-12, 2017-18, 2018-19	Commissioner of Income-tax (Appeals)
		545	Assessment Year - 2006-07, 2015-16	Income-tax Appellate Tribunal
		39	Assessment Year - 2008-09, 2009-10, 2010-11, 2016-17	Assessing Officer / National Faceless Assessment Centre
The Central Sales Tax Act, 1956 and Value Added Tax Act	Sales tax and VAT	233	Financial Year - 1994-1995, 2004-2005, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-17, 2017-18	High Court
		8	Financial Year - 1990-1991, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2011-2012, 2012-2013	Tribunal
		2	Financial Year - 1995-1996, 1997-1998, 2004-2005, 2005-2006, 2011-2012, 2016-17, 2017-18	Assistant Commissioner
		5	Financial Year - 2008-2009, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2015-2016, 2016-2017	Deputy Commissioner
		16	Financial Year - 1997-1998, 2005-2006, 2012-13, 2013-2014, 2014-2015, 2015-2016, 2016-2017	Joint Commissioner
The Finance Act, 1994	Service tax	2	Financial Year - 2002-2003, 2003-2004, 2004-2005, 2008-09, 2009-2010, 2010-2011, 2011-2012, 2012-13, 2014-2015, 2015-2016, 2016-2017, 2017-2018	Commissioner Appeals
		212	Financial Year - 2006-2007, 2007-2008, 2009-2010, 2010-2011, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018	Tribunal
Goods and Service Tax Act	GST	2	Financial Year - 2020-21	Commissioner Appeals
		3	Financial Year - 2019-20	Assistant Commissioner

\*\* These amounts are net of amount paid/ adjusted under protest Rs. 769 crores

## Tata Consultancy Services Limited

### **Annexure A to the Independent Auditor's report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022 (Continued)**

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix)
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
  - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
  - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
  - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x)
  - (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi)
  - (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

## Tata Consultancy Services Limited

### **Annexure A to the Independent Auditor's report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022 (Continued)**

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

B S R & Co. LLP

## Tata Consultancy Services Limited

### **Annexure A to the Independent Auditor's report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022 (*Continued*)**

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

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**Amit Somani**

*Partner*

Mumbai  
11 April 2022

Membership No: 060154  
UDIN: 22060154AGVEXH5342

## Tata Consultancy Services Limited

### **Annexure B to the Independent Auditor's Report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022**

#### **Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Tata Consultancy Services Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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



## Tata Consultancy Services Limited

### Annexure B to the Independent Auditors' Report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022 (Continued)

#### Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

#### Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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Amit Somani

Partner

Mumbai  
11 April 2022

Membership No: 060154  
UDIN: 22060154AGVEXH5342

**TATA CONSULTANCY SERVICES LIMITED**  
**Standalone Balance Sheet**

		(₹ crore)	
	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8(a)	9,669	9,821
Capital work-in-progress	8(a)	1,146	861
Right-of-use assets	7	5,837	5,876
Intangible assets	8(b)	1,018	362
<b>Financial assets</b>			
Investments	6(a)	2,405	2,405
Trade receivables			
Billed	6(b)	90	55
Unbilled		53	260
Loans	6(e)	8	2
Other financial assets	6(f)	626	645
Income tax assets (net)		1,643	1,501
Deferred tax assets (net)	15	2,779	3,160
Other assets	8(c)	1,797	1,273
<b>Total non-current assets</b>		<b>27,071</b>	<b>26,221</b>
<b>Current assets</b>			
Inventories	8(d)	19	7
<b>Financial assets</b>			
Investments	6(a)	29,262	28,324
Trade receivables			
Billed	6(b)	29,852	25,222
Unbilled		6,250	5,399
Cash and cash equivalents	6(c)	8,197	1,112
Other balances with banks	6(d)	5,495	2,030
Loans	6(e)	5,653	10,486
Other financial assets	6(f)	1,432	1,363
Other assets	8(c)	8,032	9,217
<b>Total current assets</b>		<b>94,192</b>	<b>83,160</b>
<b>TOTAL ASSETS</b>		<b>1,21,263</b>	<b>1,09,381</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6(n)	366	370
Other equity	9	76,807	74,424
<b>Total equity</b>		<b>77,173</b>	<b>74,794</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities		4,879	5,077
Other financial liabilities	6(i)	518	228
Employee benefit obligations	12	103	108
Deferred tax liabilities (net)	15	129	365
Unearned and deferred revenue		560	284
<b>Total non-current liabilities</b>		<b>6,189</b>	<b>6,062</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities		976	835
Trade payables			
Dues of small enterprises and micro enterprises	6(g)		
Dues of creditors other than small enterprises and micro enterprises	6(h)	10,082	7,962
Other financial liabilities	6(i)	5,826	4,473
Unearned and deferred revenue		3,013	2,877
Other liabilities	8(e)	7,033	2,720
Provisions	8(f)	1,377	1,350
Employee benefit obligations	12	2,844	2,598
Income tax liabilities (net)		6,750	5,710
<b>Total current liabilities</b>		<b>37,901</b>	<b>28,525</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,21,263</b>	<b>1,09,381</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

As per our report of even date attached

For and on behalf of the Board

For BSR & Co. LLP

Chartered Accountants

Firm's registration no: 101248W/W-100022

**AMIT SOMANI**  
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AMIT SOMANI  
Date: 2022.04.11  
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Amit Somani

Partner

Membership No: 060154

Mumbai, April 11, 2022

**RAJESH GOPINATHAN**  
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RAJESH GOPINATHAN  
Date: 2022.04.11  
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Rajesh Gopinathan  
CEO and Managing Director

**SAMIR ANAND SEKSARIA**  
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Date: 2022.04.11 17:08:59  
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Samir Seksaria  
CFO

**GANAPATHY SUBRAMANIAM**  
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N Ganapathy Subramaniam  
COO and Executive Director

**PRADEEP MANOHAR GAITONDE**  
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Pradeep Manohar Gaitonde  
Company Secretary

Mumbai, April 11, 2022

**TATA CONSULTANCY SERVICES LIMITED**  
**Standalone Statement of Profit and Loss**

(₹ crore)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	10	1,60,341	1,35,963
Other income	11	7,486	5,400
<b>TOTAL INCOME</b>		<b>1,67,827</b>	<b>1,41,363</b>
<b>Expenses</b>			
Employee benefit expenses	12	81,097	69,046
Cost of equipment and software licences	13(a)	1,010	1,230
Finance costs	14	486	537
Depreciation and amortisation expense		3,522	3,053
Other expenses	13(b)	31,989	25,377
<b>TOTAL EXPENSES</b>		<b>1,18,104</b>	<b>99,243</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEM AND TAX</b>		<b>49,723</b>	<b>42,120</b>
<b>Exceptional item</b>			
Provision towards legal claim	19	-	1,218
<b>PROFIT BEFORE TAX</b>		<b>49,723</b>	<b>40,902</b>
<b>Tax expense</b>			
Current tax	15	11,931	10,300
Deferred tax	15	(395)	(358)
<b>TOTAL TAX EXPENSE</b>		<b>11,536</b>	<b>9,942</b>
<b>PROFIT FOR THE YEAR</b>		<b>38,187</b>	<b>30,960</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		180	(16)
Income tax on items that will not be reclassified subsequently to profit or loss		(39)	3
Items that will be reclassified subsequently to profit or loss			
Net change in fair values of investments other than equity shares carried at fair value through OCI		(516)	51
Net change in intrinsic value of derivatives designated as cash flow hedges		(37)	14
Net change in time value of derivatives designated as cash flow hedges		(34)	53
Income tax on items that will be reclassified subsequently to profit or loss		196	(32)
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)</b>		<b>(250)</b>	<b>73</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>37,937</b>	<b>31,033</b>
<b>Earnings per equity share:- Basic and diluted (₹)</b>	16	103.24	82.78
Weighted average number of equity shares		369,88,32,195	374,01,10,733

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm's registration no: 101248W/W-100022

**AMIT SOMANI**  
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AMIT SOMANI  
Date: 2022.04.11  
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Amit Somani  
Partner  
Membership No: 060154

Mumbai, April 11, 2022

For and on behalf of the Board

**RAJESH GOPINATHAN**  
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RAJESH GOPINATHAN  
Date: 2022.04.11  
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Rajesh Gopinathan  
CEO and Managing Director

**SAMIR ANAND SEKSARIA**  
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Samir Seksaria  
CFO

**GANAPATHY SUBRAMANIAM**  
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N Ganapathy Subramaniam  
COO and Executive Director

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Pradeep Manohar Gaitonde  
Company Secretary

Mumbai, April 11, 2022

**TATA CONSULTANCY SERVICES LIMITED**  
**Standalone Statement of Changes in Equity**

**A. EQUITY SHARE CAPITAL**

(₹ crore)				
Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
370	-	370	(4)	366
(₹ crore)				
Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year*	Balance as at March 31, 2021
375	-	375	(5)	370

\*Refer note 6(n).

**TATA CONSULTANCY SERVICES LIMITED**  
**Standalone Statement of Changes in Equity**

**B. OTHER EQUITY**

	Reserves and surplus				Items of other comprehensive income			(₹ crore)
	Capital reserve*	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve		Total Equity
						Intrinsic value	Time value	
Balance as at April 1, 2021	-	13	2,538	70,928	916	56	(27)	74,424
Profit for the year	-	-	-	38,187	-	-	-	38,187
Other comprehensive income / (losses)	-	-	-	141	(336)	(29)	(26)	(250)
<b>Total comprehensive income</b>	-	-	-	<b>38,328</b>	<b>(336)</b>	<b>(29)</b>	<b>(26)</b>	<b>37,937</b>
Dividend	-	-	-	(13,317)	-	-	-	(13,317)
Expenses for buy-back of equity shares <sup>1</sup>	-	-	-	(49)	-	-	-	(49)
Tax on buy-back of equity shares <sup>1</sup>	-	-	-	(4,192)	-	-	-	(4,192)
Buy-back of equity shares <sup>1</sup>	-	4	-	(18,000)	-	-	-	(17,996)
Transfer to Special Economic Zone re-investment reserve	-	-	9,407	(9,407)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	(4,658)	4,658	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>17</b>	<b>7,287</b>	<b>68,949</b>	<b>580</b>	<b>27</b>	<b>(53)</b>	<b>76,807</b>
Balance as at April 1, 2020	-	8	1,594	71,532	882	45	(68)	73,993
Profit for the year	-	-	-	30,960	-	-	-	30,960
Other comprehensive income / (losses)	-	-	-	(13)	34	11	41	73
<b>Total comprehensive income</b>	-	-	-	<b>30,947</b>	<b>34</b>	<b>11</b>	<b>41</b>	<b>31,033</b>
Dividend	-	-	-	(10,850)	-	-	-	(10,850)
Expenses for buy-back of equity shares <sup>1</sup>	-	-	-	(31)	-	-	-	(31)
Tax on buy-back of equity shares <sup>1</sup>	-	-	-	(3,726)	-	-	-	(3,726)
Buy-back of equity shares <sup>1</sup>	-	5	-	(16,000)	-	-	-	(15,995)
Transfer to Special Economic Zone re-investment reserve	-	-	5,058	(5,058)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	(4,114)	4,114	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>13</b>	<b>2,538</b>	<b>70,928</b>	<b>916</b>	<b>56</b>	<b>(27)</b>	<b>74,424</b>

\*Represents values less than ₹0.50 crore.

<sup>1</sup>Refer Note 6(n)

Gain of ₹141 crore and loss of ₹13 crore on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2022 and 2021, respectively.

**TATA CONSULTANCY SERVICES LIMITED**  
**Standalone Statement of Changes in Equity**

**Nature and purpose of reserves**

**(a) Capital reserve**

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

**(b) 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.

**(c) Special Economic Zone re-investment reserve**

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

**(d) Retained earnings**

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

**(e) Investment revaluation reserve**

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

**(f) 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.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

As per our report of even date attached  
For **BSR & Co. LLP**

*Chartered Accountants*

Firm's registration no: 101248W/W-100022

**AMIT  
SOMANI**

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AMIT SOMANI  
Date: 2022.04.11  
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**Amit Somani**

*Partner*

Membership No: 060154

Mumbai, April 11, 2022

For and on behalf of the Board

**RAJESH  
GOPINATHAN**

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RAJESH GOPINATHAN  
Date: 2022.04.11  
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**Rajesh Gopinathan**

*CEO and Managing Director*

**SAMIR ANAND  
SEKSARIA**

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**Samir Seksaria**

*CFO*

Mumbai, April 11, 2022

**GANAPATHY  
SUBRAMANIAM  
N NATARAJAN**

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**N Ganapathy Subramaniam**

*COO and Executive Director*

**PRADEEP  
MANOHAR  
GAITONDE**

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PRADEEP MANOHAR  
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**Pradeep Manohar Gaitonde**

*Company Secretary*

**TATA CONSULTANCY SERVICES LIMITED**  
**Standalone Statement of Cash Flows**

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	38,187	30,960
Adjustments for:		
Depreciation and amortisation expense	3,522	3,053
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	107	185
Provision towards legal claim (Refer note 19)	-	1,218
Tax expense	11,536	9,942
Net gain on lease modification	(2)	(89)
Unrealised foreign exchange gain	(119)	(20)
Net gain on disposal of property, plant and equipment	(25)	(19)
Net gain on disposal / fair valuation of investments	(186)	(193)
Interest income	(2,555)	(2,383)
Dividend income (including exchange impact)	(3,554)	(2,211)
Finance costs	486	537
Realised foreign exchange gain on proceeds from liquidation of wholly owned subsidiary	-	(5)
<b>Operating profit before working capital changes</b>	<b>47,397</b>	<b>40,975</b>
<b>Net change in</b>		
Inventories	(12)	(3)
Trade receivables		
Billed	(4,761)	3,282
Unbilled	(644)	(572)
Loans and other financial assets	(152)	(54)
Other assets	747	(2,432)
Trade payables	2,120	(771)
Unearned and deferred revenue	412	246
Other financial liabilities	968	(171)
Other liabilities and provisions	388	1,127
<b>Cash generated from operations</b>	<b>46,463</b>	<b>41,627</b>
Taxes paid (net of refunds)	(10,336)	(7,805)
<b>Net cash generated from operating activities</b>	<b>36,127</b>	<b>33,822</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Bank deposits placed	(14,653)	(5,678)
Inter-corporate deposits placed	(13,655)	(20,139)
Purchase of investments	(70,826)	(51,822)
Payment for purchase of property, plant and equipment	(2,147)	(2,071)
Payment including advances for acquiring right-of-use assets	(13)	(101)
Payment for purchase of intangible assets	(457)	(242)
Payment towards subscription of shares in wholly owned subsidiary	-	(224)
Proceeds from bank deposits	11,201	4,617
Proceeds from inter-corporate deposits	18,560	16,892
Proceeds from disposal / redemption of investments	69,451	49,333
Proceeds from sub-lease receivable	4	-
Proceeds from disposal of property, plant and equipment	29	31
Proceeds from liquidation of wholly owned subsidiary	-	12
Interest received	2,594	2,605
Dividend received from subsidiaries	3,554	2,211
<b>Net cash generated from / (used in) investing activities</b>	<b>3,642</b>	<b>(4,576)</b>

**TATA CONSULTANCY SERVICES LIMITED**  
Standalone Statement of Cash Flows

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(935)	(879)
Interest paid	(478)	(537)
Dividend paid	(13,317)	(10,850)
Transfer of funds to buy-back escrow account	(180)	(160)
Transfer of funds from buy-back escrow account	162	160
Expenses for buy-back of equity shares (Refer note 6(n))	(49)	(31)
Tax on buy-back of equity shares (Refer note 6(n))	-	(3,726)
Buy-back of equity shares (Refer note 6(n))	(18,000)	(16,000)
<b>Net cash used in financing activities</b>	<b>(32,797)</b>	<b>(32,023)</b>
<b>Net change in cash and cash equivalents</b>	<b>6,972</b>	<b>(2,777)</b>
Cash and cash equivalents at the beginning of the year	1,112	3,852
Exchange difference on translation of foreign currency cash and cash equivalents	113	37
<b>Cash and cash equivalents at the end of the year</b>	<b>8,197</b>	<b>1,112</b>
<b>Components of cash and cash equivalents</b>		
<b>Balances with banks</b>		
In current accounts	809	1,032
In deposit accounts	7,388	77
Cheques on hand	-	-
Cash on hand	-	-
Remittances in transit	-	3
	<b>8,197</b>	<b>1,112</b>

\*Represents values less than ₹0.50 crore.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

Refer note 13(c) for amount spent during the years ended March 31, 2022 and 2021 on construction / acquisition of any asset and other purposes relating to CSR activities.

As per our report of even date attached  
For **BSR & Co. LLP**

*Chartered Accountants*

Firm's registration no: 101248W/W-100022

**AMIT SOMANI**  
Digitally signed by  
AMIT SOMANI  
Date: 2022.04.11  
21:30:29 +05'30'

**Amit Somani**

*Partner*

Membership No: 060154

Mumbai, April 11, 2022

For and on behalf of the Board

**RAJESH GOPINATHAN**  
Digitally signed by  
RAJESH GOPINATHAN  
Date: 2022.04.11  
17:01:43 +05'30'

**Rajesh Gopinathan**  
CEO and Managing Director

**SAMIR ANAND SEKSARIA**  
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SAMIR ANAND SEKSARIA  
Date: 2022.04.11  
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**Samir Seksaria**  
CFO

Mumbai, April 11, 2022

**GANAPATHY SUBRAMANIAM**  
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GANAPATHY SUBRAMANIAM  
Date: 2022.04.11 18:12:31  
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**N Ganapathy Subramaniam**  
COO and Executive Director

**PRADEEP MANOHAR GAITONDE**  
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PRADEEP MANOHAR  
Date: 2022.04.11 18:05:25  
+05'30'

**Pradeep Manohar Gaitonde**  
Company Secretary



**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

**1) Corporate information**

Tata Consultancy Services Limited (referred to as "TCS Limited" or "the Company") provides IT services, consulting and business solutions and has been partnering with many of the world's largest businesses in their transformation journeys. The Company 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, 2022, Tata Sons Private Limited, the holding company owned 72.27% of the Company's equity share capital.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2022 and authorised for issue on April 11, 2022.

**2) Statement of compliance**

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

**3) Basis of preparation**

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

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. 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 dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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

**4) Use of estimates and judgements**

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone 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.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

The Company uses the following critical accounting estimates in preparation of its standalone financial statements:

**(a) Revenue recognition**

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

**(b) Useful lives of property, plant and equipment**

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

**(c) Impairment of investments in subsidiaries**

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

**(d) 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.

**(e) Provision for income tax and deferred tax assets**

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

**(f) Provisions and contingent liabilities**

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

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised 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 Company 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 standalone financial statements.

**(g) Employee benefits**

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

**(h) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

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

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

**(i) Impact of COVID-19 (pandemic)**

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

**5) Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

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

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

**Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

**6) Financial assets, financial liabilities and equity instruments**

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

The Company 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 Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

**Cash and cash equivalents**

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

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

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

**Financial assets at fair value through profit or loss**

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

**Investment in subsidiaries**

Investment in subsidiaries are measured at cost less impairment loss, if any.

**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 Company are recognised at the proceeds received net of direct issue cost.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

**Derivative accounting**

• **Instruments in hedging relationship**

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

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

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

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve.

The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the intrinsic value and time value of an option is recognised in the 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 the statement of profit and loss when the forecasted transaction ultimately affects profit and loss. Any gain or loss is recognised immediately in the statement of profit and loss when the hedge becomes ineffective.

• **Instruments not in hedging relationship**

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

**Impairment of financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

**(a) Investments**

Investments consist of the following:

**Investments – Non-current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Investment in subsidiaries,</b>		
Fully paid equity shares (unquoted)	2,405	2,405
<b>Investments designated at fair value through OCI</b>		
Fully paid equity shares (unquoted)		
Taj Air Limited	19	19
Less: Impairment in value of investments	(19)	(19)
	<b>2,405</b>	<b>2,405</b>

**Investments – Current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Investments carried at fair value through profit or loss</b>		
Mutual fund units (quoted)	884	4,068
<b>Investments carried at fair value through OCI</b>		
Government bonds and securities (quoted)	25,667	23,670
Corporate bonds (quoted)	1,242	450
<b>Investments carried at amortised cost</b>		
Certificate of deposits (quoted)	99	-
Commercial papers (quoted)	381	136
Treasury bills (quoted)	989	-
	<b>29,262</b>	<b>28,324</b>

Government bonds and securities includes bonds pledged with bank for credit facility and with manager to the buy-back amounting to ₹3,560 crore and ₹1,650 crore as at March 31, 2022 and 2021, respectively.

Aggregate value of quoted and unquoted investments is as follows:

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Aggregate value of quoted investments	29,262	28,324
Aggregate value of unquoted investments (net of impairment)	2,405	2,405
Aggregate market value of quoted investments	29,263	28,324
Aggregate value of impairment of investments	19	19

Market value of quoted investments carried at amortised cost is as follows:

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Certificate of deposits	99	-
Commercial papers	381	136
Treasury bills	990	-

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

Carrying value of investment in equity instruments is as follows:

					(₹ crore)	
In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2022	As at March 31, 2021	
<b>Fully paid equity shares (unquoted)</b>						
212,27,83,424	UYU		1 TCS Iberoamerica SA	461	461	
15,75,300	INR		10 APTOnline Limited	-	-	
1,300	EUR		- Tata Consultancy Services Belgium	1	1	
66,000	EUR		1,000 Tata Consultancy Services Netherlands BV	403	403	
1,000	SEK		100 Tata Consultancy Services Sverige AB	19	19	
1	EUR		- Tata Consultancy Services Deutschland GmbH	2	2	
20,000	USD		10 Tata America International Corporation	453	453	
75,82,820	SGD		1 Tata Consultancy Services Asia Pacific Pte Ltd.	19	19	
3,72,58,815	AUD		1 TCS FNS Pty Limited	212	212	
10,00,001	GBP		1 Diligenta Limited	429	429	
1,000	USD		- Tata Consultancy Services Canada Inc.	*	*	
100	CAD		70,653.61 Tata Consultancy Services Canada Inc.	31	31	
51,00,000	INR		10 C-Edge Technologies Limited	5	5	
8,90,000	INR		10 MP Online Limited	1	1	
1,40,00,000	ZAR		1 Tata Consultancy Services (Africa) (PTY) Ltd.	66	66	
18,89,005	INR		10 MahaOnline Limited	2	2	
-	QAR		- Tata Consultancy Services Qatar L.L.C.	2	2	
10,00,000	INR		100 TCS e-Serve International Limited	10	10	
1,00,500	GBP		0.00001 Tata Consultancy Services UK Limited	66	66	
2,50,00,000	EUR		1 Tata Consultancy Services Ireland Limited	224	224	
10,00,000	INR		10 TCS Foundation	-	-	
				<b>2,405</b>	<b>2,405</b>	

					(₹ crore)	
In Numbers	Currency	Face value per share	Equity instruments designated at fair value through OCI	As at March 31, 2022	As at March 31, 2021	
<b>Fully paid equity shares (unquoted)</b>						
1,90,00,000	INR		10 Taj Air Limited	19	19	
				Less : Impairment in value of investments	(19)	(19)
				-	-	

\*Represents value less than ₹0.50 crore.

**Notes:**

1. Tata Consultancy Services Qatar S.S.C. renamed as Tata Consultancy Services Qatar L.L.C..
2. W12 Studios Limited renamed as Tata Consultancy Services UK Limited.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

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

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	916	882
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(516)	51
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	180	(17)
Balance at the end of the year	<u>580</u>	<u>916</u>

**(b) Trade receivables - Billed**

Trade receivables - Billed (unsecured) consist of the following:

**Trade receivables - Billed – Non-current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed	932	787
Less: Allowance for doubtful trade receivables - Billed	(842)	(732)
Considered good	<u>90</u>	<u>55</u>

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment						(₹ crore)
	Not due	Less than	6 months -	1 - 2 years	2 - 3 years	More than	Total
		6 months	1 year			3 years	
<b>Trade receivables - Billed</b>							
Undisputed trade receivables – considered good	-	-	12	93	227	584	916
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	16	16
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	12	93	227	600	932
Less: Allowance for doubtful trade receivables - Billed							(842)
							<u>90</u>
<b>Trade receivables - Unbilled</b>							<u>53</u>
							<u>143</u>



**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2021 is as follows:

Particulars	(₹ crore)					
	Not due	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
<b>Trade receivables - Billed</b>						
Undisputed trade receivables – considered good	-	-	17	154	86	514
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	16
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
	-	-	17	154	86	530
<b>Less: Allowance for doubtful trade receivables - Billed</b>						<b>787 (732)</b>
						<b>55</b>
<b>Trade receivables - Unbilled</b>						<b>260</b>
						<b>315</b>

**Trade receivables - Billed – Current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed	30,010	25,361
Less: Allowance for doubtful trade receivables - Billed	(173)	(183)
<b>Considered good</b>	<b>29,837</b>	<b>25,178</b>
Trade receivables - Billed	137	211
Less: Allowance for doubtful trade receivables - Billed	(122)	(167)
<b>Credit impaired</b>	<b>15</b>	<b>44</b>
	<b>29,852</b>	<b>25,222</b>

Above balances of trade receivables - billed include balances with related parties (Refer note 20).

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

Ageing for trade receivables - billed – current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment						(₹ crore)
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade receivables - Billed</b>							
Undisputed trade receivables – considered good	23,985	4,069	903	594	224	211	29,986
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	57	6	67	130
Disputed trade receivables – considered good	-	-	-	-	-	24	24
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	7	7
	<b>23,985</b>	<b>4,069</b>	<b>903</b>	<b>651</b>	<b>230</b>	<b>309</b>	<b>30,147</b>
<b>Less: Allowance for doubtful trade receivables - Billed</b>							<b>(295)</b>
							<b>29,852</b>
<b>Trade receivables - Unbilled</b>							<b>6,250</b>
							<b>36,102</b>

Ageing for trade receivables - billed – current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment						(₹ crore)
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade receivables - Billed</b>							
Undisputed trade receivables – considered good	18,966	4,714	437	792	279	148	25,336
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	4	81	12	74	33	204
Disputed trade receivables – considered good	-	5	-	-	15	5	25
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	7	7
	<b>18,966</b>	<b>4,723</b>	<b>518</b>	<b>804</b>	<b>368</b>	<b>193</b>	<b>25,572</b>
<b>Less: Allowance for doubtful trade receivables - Billed</b>							<b>(350)</b>
							<b>25,222</b>
<b>Trade receivables - Unbilled</b>							<b>5,399</b>
							<b>30,621</b>

**TATA CONSULTANCY SERVICES LIMITED**  
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**(c) Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Balances with banks</b>		
In current accounts	809	1,032
In deposit accounts	7,388	77
Cheques on hand	_*	_*
Cash on hand	_*	_*
Remittances in transit	_*	3
	<b>8,197</b>	<b>1,112</b>

\*Represents value less than ₹0.50 crore.

**(d) Other balances with banks**

Other balances with banks consist of the following:

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks	195	182
Short-term bank deposits	5,300	1,848
	<b>5,495</b>	<b>2,030</b>

Earmarked balances with banks primarily relate to margin money for purchase of investments, margin money for derivative contracts, unclaimed dividends and balance in escrow account for buy-back of equity shares.

**(e) Loans**

Loans (unsecured) consist of the following:

**Loans – Non-current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Considered good</b>		
Loans and advances to employees	8	2
	<b>8</b>	<b>2</b>

**Loans – Current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Considered good</b>		
Inter-corporate deposits	5,386	10,291
Loans and advances to employees	267	195
<b>Credit impaired</b>		
Loans and advances to employees	22	15
Less: Allowance on loans and advances to employees	(22)	(15)
	<b>5,653</b>	<b>10,486</b>

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

**TATA CONSULTANCY SERVICES LIMITED**  
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**(f) Other financial assets**

Other financial assets consist of the following:

**Other financial assets – Non-current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Security deposits	613	632
Others	13	13
	<b>626</b>	<b>645</b>

**Other financial assets – Current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Security deposits	161	143
Fair value of foreign exchange derivative assets	388	495
Interest receivable	597	566
Others	286	159
	<b>1,432</b>	<b>1,363</b>

**(g) Dues of small enterprises and micro enterprises**

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Dues remaining unpaid to any supplier		
Principal	-	-
Interest on the above	-	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	33	39
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006*	-	-

\*Represents value less than ₹0.50 crore.

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**(h) Trade payables**

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					(₹ crore)
	Not due					Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade payables</b>						
MSME*	-	-	-	-	-	-
Others	2,673	2,541	46	27	80	5,367
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	32	32
	<b>2,673</b>	<b>2,541</b>	<b>46</b>	<b>27</b>	<b>112</b>	<b>5,399</b>
<b>Accrued expenses</b>						<b>4,683</b>
						<b>10,082</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					(₹ crore)
	Not due					Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade payables</b>						
MSME*	-	-	-	-	-	-
Others	1,591	1,884	153	16	62	3,706
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	32	32
	<b>1,591</b>	<b>1,884</b>	<b>153</b>	<b>16</b>	<b>94</b>	<b>3,738</b>
<b>Accrued expenses</b>						<b>4,224</b>
						<b>7,962</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

**(i) Other financial liabilities**

Other financial liabilities consist of the following:

**Other financial liabilities – Non-current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Capital creditors	289	-
Others	229	228
	<b>518</b>	<b>228</b>

Others include advance taxes paid of ₹226 crore and ₹226 crore as at March 31, 2022 and 2021, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities is payable to the seller.

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**Other financial liabilities – Current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Accrued payroll	3,914	3,029
Unclaimed dividends	46	50
Fair value of foreign exchange derivative liabilities	128	92
Capital creditors	723	347
Liabilities towards customer contracts	972	860
Others	43	95
	<b>5,826</b>	<b>4,473</b>

**(j) Financial instruments by category**

The carrying value of financial instruments by categories as at March 31, 2022 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
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	-	8,197	8,197
Bank deposits	-	-	-	-	5,300	5,300
Earmarked balances with banks	-	-	-	-	195	195
Investments (other than in subsidiary)	884	26,909	-	-	1,469	29,262
Trade receivables						
Billed	-	-	-	-	29,942	29,942
Unbilled	-	-	-	-	6,303	6,303
Loans	-	-	-	-	5,661	5,661
Other financial assets	-	-	124	264	1,670	2,058
	<b>884</b>	<b>26,909</b>	<b>124</b>	<b>264</b>	<b>58,737</b>	<b>86,918</b>
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	10,082	10,082
Lease liabilities	-	-	-	-	5,855	5,855
Other financial liabilities	-	-	22	106	6,216	6,344
	<b>-</b>	<b>-</b>	<b>22</b>	<b>106</b>	<b>22,153</b>	<b>22,281</b>

Loans include inter-corporate deposits of ₹5,386 crore, with original maturity period within 10 months.

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The carrying value of financial instruments by categories as at March 31, 2021 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	-	-	-	-	1,112	1,112
Bank deposits	-	-	-	-	1,848	1,848
Earmarked balances with banks	-	-	-	-	182	182
Investments (other than in subsidiary)	4,068	24,120	-	-	136	28,324
Trade receivables						
Billed	-	-	-	-	25,277	25,277
Unbilled	-	-	-	-	5,659	5,659
Loans	-	-	-	-	10,488	10,488
Other financial assets	-	-	163	332	1,513	2,008
	4,068	24,120	163	332	46,215	74,898
Financial liabilities						
Trade payables	-	-	-	-	7,962	7,962
Lease liabilities	-	-	-	-	5,912	5,912
Other financial liabilities	-	-	2	90	4,609	4,701
	-	-	2	90	18,483	18,575

Loans include inter-corporate deposits of ₹10,291 crore, with original maturity period within 9 months.

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at March 31, 2022 and 2021, approximate the fair value due to their nature. Carrying amounts of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is ₹1,470 crore and ₹136 crore as at March 31, 2022 and 2021, respectively.

**(k) Fair value hierarchy.**

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

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

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

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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, 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Mutual fund units	884	-	-	884
Equity shares	-	-	-	-
Government bonds and securities	25,667	-	-	25,667
Corporate bonds	1,242	-	-	1,242
Certificate of deposits	99	-	-	99
Commercial papers	381	-	-	381
Treasury bills	990	-	-	990
Fair value of foreign exchange derivative assets	-	388	-	388
	<b>29,263</b>	<b>388</b>	<b>-</b>	<b>29,651</b>
<b>Financial liabilities</b>				
Fair value of foreign exchange derivative liabilities	-	128	-	128
	<b>-</b>	<b>128</b>	<b>-</b>	<b>128</b>
As at March 31, 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Mutual fund units	4,068	-	-	4,068
Equity shares	-	-	-	-
Government bonds and securities	23,670	-	-	23,670
Corporate bonds	450	-	-	450
Commercial papers	136	-	-	136
Fair value of foreign exchange derivative assets	-	495	-	495
	<b>28,324</b>	<b>495</b>	<b>-</b>	<b>28,819</b>
<b>Financial liabilities</b>				
Fair value of foreign exchange derivative liabilities	-	92	-	92
	<b>-</b>	<b>92</b>	<b>-</b>	<b>92</b>

**(I) Derivative financial instruments and hedging activity**

The Company'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 Company to currency fluctuations.

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



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

Foreign currency	As at March 31, 2022			As at March 31, 2021		
	No. of contracts	Notional amount of contracts (In million)	Fair value (₹ crore)	No. of contracts	Notional amount of contracts (In million)	Fair value (₹ crore)
US Dollar	63	1,635	44	63	1,615	51
Great Britain Pound	41	338	55	64	330	14
Euro	53	382	25	60	346	78
Australian Dollar	30	202	(21)	38	206	16
Canadian Dollar	25	137	(1)	23	114	2

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

	(₹ crore)			
	Year ended March 31, 2022		Year ended March 31, 2021	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	56	(27)	45	(68)
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	(636)	525	(341)	530
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	139	(122)	73	(125)
Change in the fair value of effective portion of cash flow hedges	599	(559)	355	(477)
Deferred tax on change in the fair value of effective portion of cash flow hedges	(131)	130	(76)	113
Balance at the end of the year	27	(53)	56	(27)

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2022 and 2021, the notional amount of outstanding contracts aggregated to ₹46,392 crore and ₹37,615 crore, respectively, and the respective fair value of these contracts have a net gain of ₹158 crore and ₹242 crore.

Exchange gain of ₹645 crore and ₹490 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the standalone statement of profit and loss for the years ended March 31, 2022 and 2021, respectively.

Net foreign exchange gain include gain of ₹111 crore and loss of ₹189 crore transferred from cash flow hedging reserve for the years ended March 31, 2022 and 2021, respectively.

Net loss on derivative instruments of ₹26 crore recognised in cash flow hedging reserve as at March 31, 2022, is expected to be transferred to the statement of profit and loss by March 31, 2023. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2022.

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

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
10% Appreciation of the underlying foreign currencies	(387)	(306)
10% Depreciation of the underlying foreign currencies	2,034	1,906

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**(m) Financial risk management**

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

**Market risk**

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

• **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in note 6(l).

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2022:

	(₹ crore)			
	USD	EUR	GBP	Others
Net financial assets	515	89	147	1,709
Net financial liabilities	(8,981)	(513)	(1,403)	(1,049)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹949 crore for the year ended March 31, 2022.

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

	(₹ crore)			
	USD	EUR	GBP	Others
Net financial assets	3,981	(9)	264	1,390
Net financial liabilities	(3,053)	(564)	(608)	(774)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹63 crore for the year ended March 31, 2021.

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• **Interest rate risk**

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

**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, loans, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹5,386 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹4,800 crore held with three Indian banks having high credit rating which is individually in excess of 10% or more of the Company's total bank deposits as at March 31, 2022. None of the other financial instruments of the Company result in material concentration of credit risk.

• **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹90,388 crore and ₹77,949 crore as at March 31, 2022 and 2021, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, loans, contract assets and other financial assets.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivable and contract assets as at March 31, 2022 and March 31, 2021.

• **Geographic concentration of credit risk**

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

	As at March 31, 2022		As at March 31, 2021	
	Gross%	Net%	Gross%	Net%
United States of America	52.43	53.78	48.67	49.97
India	12.73	10.68	15.32	13.27
United Kingdom	16.47	16.84	17.05	17.42

Geographic concentration of trade receivables (gross and net of allowances) and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2022 and 2021 was ₹96 crore and ₹176 crore, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	1,082	938
Change during the year	96	176
Bad debts written off	(39)	(30)
Translation Exchange difference	(2)	(2)
Balance at the end of the year	1,137	1,082

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**Liquidity risk**

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

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

	(₹ crore)				
March 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
<b>Non-derivative financial liabilities</b>					
Trade payables	10,082	-	-	-	10,082
Borrowings	-	-	-	-	-
Lease liabilities	1,345	1,186	2,460	2,732	7,723
Other financial liabilities	5,721	294	228	5	6,248
	<b>17,148</b>	<b>1,480</b>	<b>2,688</b>	<b>2,737</b>	<b>24,053</b>
<b>Derivative financial liabilities</b>	128	-	-	-	128
	<b>17,276</b>	<b>1,480</b>	<b>2,688</b>	<b>2,737</b>	<b>24,181</b>

	(₹ crore)				
March 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
<b>Non-derivative financial liabilities</b>					
Trade payables	7,962	-	-	-	7,962
Lease liabilities	1,239	1,157	2,590	3,098	8,084
Other financial liabilities	4,381	-	228	-	4,609
	<b>13,582</b>	<b>1,157</b>	<b>2,818</b>	<b>3,098</b>	<b>20,655</b>
<b>Derivative financial liabilities</b>	92	-	-	-	92
	<b>13,674</b>	<b>1,157</b>	<b>2,818</b>	<b>3,098</b>	<b>20,747</b>

**(n) Equity instruments**

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

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
460,05,00,000 equity shares of ₹1 each (March 31, 2021: 460,05,00,000 equity shares of ₹1 each)	460	460
105,02,50,000 preference shares of ₹1 each (March 31, 2021: 105,02,50,000 preference shares of ₹1 each)	105	105
	<b>565</b>	<b>565</b>
<b>Issued, Subscribed and Fully paid up</b>		
365,90,51,373 equity shares of ₹1 each (March 31, 2021: 369,90,51,373 equity shares of ₹1 each)	366	370
	<b>366</b>	<b>370</b>

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.

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The Board of Directors at its meeting held on January 12, 2022, approved a proposal to buy-back upto 4,00,00,000 equity shares of the Company for an aggregate amount not exceeding ₹18,000 crore, being 1.08% of the total paid up equity share capital at ₹4,500 per equity share. The shareholders approved the same on February 12, 2022, by way of a special resolution through postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 4,00,00,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on March 29, 2022. Capital redemption reserve was created to the extent of share capital extinguished (₹4 crore). The excess cost of buy-back of ₹18,049 crore (including ₹49 crore towards transaction cost of buy-back) over par value of shares and corresponding tax on buy-back of ₹4,192 crore were offset from retained earnings.

**I. Reconciliation of number of shares**

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
<b>Equity shares</b>				
Opening balance	369,90,51,373	370	375,23,84,706	375
Shares extinguished on buy-back	(4,00,00,000)	(4)	(5,33,33,333)	(5)
Closing balance	365,90,51,373	366	369,90,51,373	370

**II. Rights, preferences and restrictions attached to 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, 2022	As at March 31, 2021
<b>Equity shares</b>		
<b>Holding company</b>		
264,43,17,117 equity shares (March 31, 2021: 266,91,25,829 equity shares) are held by Tata Sons Private Limited	264	267
<b>Subsidiaries and Associates of Holding company</b>		
7,220 equity shares (March 31, 2021: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,14,172 equity shares (March 31, 2021: 10,23,685 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2021: 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2021: 766 equity shares) are held by The Tata Power Company Limited*	-	-
	<b>264</b>	<b>267</b>

\*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, 2022	As at March 31, 2021
<b>Equity shares</b>		
Tata Sons Private Limited, the holding company	264,43,17,117	266,91,25,829
% of shareholding	72.27%	72.16%

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**V. Equity shares movement during the 5 years preceding March 31, 2022**

• **Equity shares issued as bonus**

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 in three month period ended June 30, 2018, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

• **Equity shares extinguished on buy-back**

The Company bought back 4,00,00,000 equity shares for an aggregate amount of ₹18,000 crore being 1.08% of the total paid up equity share capital at ₹4,500 per equity share. The equity shares bought back were extinguished on March 29, 2022.

The Company bought back 5,33,33,333 equity shares for an aggregate amount of ₹16,000 crore being 1.42% of the total paid up equity share capital at ₹3,000 per equity share. The equity shares bought back were extinguished on January 6, 2021.

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.

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.

**VI. Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Promoter name	Shares held by promoters				% Change during the year
	As at March 31, 2022		As at March 31, 2021		
	No. of shares	% of total shares	No. of shares	% of total shares	
Tata Sons Private Limited	264,43,17,117	72.27%	266,91,25,829	72.16%	0.11%
Total	264,43,17,117	72.27%	266,91,25,829	72.16%	0.11%

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Promoter name	Shares held by promoters				% Change during the year
	As at March 31, 2021		As at March 31, 2020		
	No. of shares	% of total shares	No. of shares	% of total shares	
Tata Sons Private Limited	266,91,25,829	72.16%	270,24,50,947	72.02%	0.14%
<b>Total</b>	<b>266,91,25,829</b>	<b>72.16%</b>	<b>270,24,50,947</b>	<b>72.02%</b>	<b>0.14%</b>

**7) Leases**

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

**Company as a lessee**

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-

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line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**Company as a lessor**

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

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

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

	(₹ crore)	
	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Leasehold land	100	774
Buildings	779	4,860
Leasehold improvement	-	4
Computer equipment	3	66
Software licences	145	133
Vehicles*	-	-
	<b>1,027</b>	<b>5,837</b>

\*Represents value less than ₹0.50 crore.

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	(₹ crore)	
	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold land	-	682
Buildings	840	5,083
Leasehold improvement	6	6
Computer equipment	81	79
Software licences	26	25
Vehicles	1	1
	<b>954</b>	<b>5,876</b>

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

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Leasehold land	9	8
Buildings	991	995
Leasehold improvement	3	3
Computer equipment	15	3
Software licences	38	1
Vehicles	1	1
	<b>1,057</b>	<b>1,011</b>

Interest on lease liabilities is ₹451 crore and ₹450 crore for the years ended March 31, 2022 and 2021, respectively.

The Company incurred ₹162 crore and ₹189 crore for the years ended March 31, 2022 and 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ₹1,561 crore and ₹1,619 crore for the years ended March 31, 2022 and 2021, respectively, including cash outflow for short term and low value leases.

The Company has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is ₹722 crore and ₹660 crore as at March 31, 2022 and 2021, respectively.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

**8) Non-financial assets and non-financial liabilities**

**(a) Property, plant and equipment**

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

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



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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	2-5 years
Electrical installations	4-10 years
Furniture and fixtures	5 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

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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
Cost as at April 1, 2021	323	7,688	1,817	718	8,781	36	2,302	1,883	1,509
Additions	-	51	86	35	1,606	-	160	33	41
Disposals	-	(2)	(18)	(1)	(462)	(1)	(67)	(44)	(38)
Cost as at March 31, 2022	323	7,737	1,885	752	9,925	35	2,395	1,872	1,512
Accumulated depreciation as at April 1, 2021	-	(2,897)	(1,108)	(293)	(6,349)	(31)	(2,001)	(1,270)	(1,287)
Depreciation	-	(391)	(131)	(73)	(1,172)	(3)	(151)	(140)	(99)
Disposals	-	2	18	-	460	1	67	43	38
Accumulated depreciation as at March 31, 2022	-	(3,286)	(1,221)	(366)	(7,061)	(33)	(2,085)	(1,367)	(1,348)
Net carrying amount as at March 31, 2022	323	4,451	664	386	2,864	2	310	505	164
Capital work-in-progress*	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	1,146
	-	-	-	-	-	-	-	-	10,815

\*₹2,012 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022.

	(₹ crore)								
	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures
Cost as at April 1, 2020	323	7,628	1,824	667	7,273	39	2,263	1,882	1,510
Additions	-	71	53	51	1,610	2	77	28	29
Disposals	-	(11)	(60)	-	(102)	(5)	(38)	(27)	(30)
Cost as at March 31, 2021	323	7,688	1,817	718	8,781	36	2,302	1,883	1,509
Accumulated depreciation as at April 1, 2020	-	(2,518)	(1,042)	(224)	(5,536)	(32)	(1,868)	(1,152)	(1,202)
Depreciation	-	(387)	(126)	(69)	(909)	(4)	(170)	(143)	(115)
Disposals	-	8	60	-	96	5	37	25	30
Accumulated depreciation as at March 31, 2021	-	(2,897)	(1,108)	(293)	(6,349)	(31)	(2,001)	(1,270)	(1,287)
Net carrying amount as at March 31, 2021	323	4,791	709	425	2,432	5	301	613	222
Capital work-in-progress*	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	861
	-	-	-	-	-	-	-	-	10,682

\*₹1,921 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

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**Capital work-in-progress**

• **Capital work-in-progress ageing**

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress	Amount in capital work-in-progress for a period of				(₹ crore)
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	639	97	37	373	1,146
	<b>639</b>	<b>97</b>	<b>37</b>	<b>373</b>	<b>1,146</b>

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work-in-progress	Amount in capital work-in-progress for a period of				(₹ crore)
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	423	60	41	337	861
	<b>423</b>	<b>60</b>	<b>41</b>	<b>337</b>	<b>861</b>

- Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

**(b) Intangible assets**

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Intangible assets consist of the following:

	(₹ crore)
<b>Cost as at April 1, 2021</b>	<b>580</b>
Additions	961
Disposals / Derecognised	(11)
<b>Cost as at March 31, 2022</b>	<b>1,530</b>
<b>Accumulated amortisation as at April 1, 2021</b>	<b>(218)</b>
Amortisation	(305)
Disposals / Derecognised	11
<b>Accumulated amortisation as at December 31, 2021</b>	<b>(512)</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>1,018</b>

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	(₹ crore)
	<b>Rights under licensing agreement and software licences</b>
Cost as at April 1, 2020	401
Additions	242
Disposals / Derecognised	(63)
Cost as at March 31, 2021	580
Accumulated amortisation as at April 1, 2020	(162)
Amortisation	(119)
Disposals / Derecognised	63
Accumulated amortisation as at March 31, 2021	(218)
Net carrying amount as at March 31, 2021	362

The estimated amortisation for years subsequent to March 31, 2022 is as follows:

	(₹ crore)
	<b>Amortisation expense</b>
Year ending March 31, 2023	421
2024	375
2025	203
2026	19
	1,018

**(c) Other assets**

Other assets consist of the following:

**Other assets – Non-current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Considered good</b>		
Capital advances	75	65
Advances to related parties	23	33
Contract assets	136	120
Prepaid expenses	1,197	527
Contract fulfillment costs	81	137
Others	285	391
	1,797	1,273
<b>Advances to related parties, considered good, comprise:</b>		
Voltas Limited	-*	2
Tata Realty and Infrastructure Ltd	-*	-*
Tata Projects Limited ,	23	30
Titan Engineering and Automation Limited	-*	-*

\*Represents value less than ₹0.50 crore.

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**Other assets – Current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Considered good</b>		
Advance to suppliers	117	83
Advance to related parties	8	10
Contract assets	3,334	2,931
Prepaid expenses	2,735	4,260
Prepaid rent	7	6
Contract fulfillment costs	616	534
Indirect taxes recoverable	1,001	1,172
Others	214	221
<b>Considered doubtful</b>		
Advance to suppliers	2	3
Other advances	2	2
Less: Allowance on doubtful assets	(4)	(5)
	<b>8,032</b>	<b>9,217</b>
<b>Advance to related parties, considered good comprise:</b>		
The Titan Company Limited	-	2
Tata AIG General Insurance Company Limited	1	1
Tata Sons Private Limited	7	7

Non-current – Others includes advance of ₹271 crore and ₹369 crore towards acquiring right-of-use of leasehold land as at March 31, 2022 and 2021, respectively.

Contract fulfillment costs of ₹564 crore and ₹358 crore for the years ended March 31, 2022 and 2021, respectively, have been amortised in the standalone statement of profit and loss. Refer note 10 for the changes in contract asset.

**(d) 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 Company includes direct material and labour cost and a proportion of manufacturing overheads.

Inventories consist of the following:

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Raw materials, sub-assemblies and components	16	7
Finished goods and work-in-progress	3	*
	<b>19</b>	<b>7</b>

\*Represents value less than ₹0.50 crore.

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**(e) Other liabilities**

Other liabilities consist of the following:

**Other liabilities – Current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Advance received from customers	473	156
Indirect taxes payable and other statutory liabilities	2,271	2,537
Tax liability on buy-back of equity shares*	4,192	-
Others	97	27
	<b>7,033</b>	<b>2,720</b>

\*Refer note 6(n).

**(f) Provisions**

Provisions consist of the following:

**Provisions – Current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Provision towards legal claim (Refer note 19)	1,249	1,211
Provision for foreseeable loss	125	127
Other provisions	3	12
	<b>1,377</b>	<b>1,350</b>

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**9) Other equity**

Other equity consist of the following:

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Capital reserve*</b>	-	-
<b>Capital redemption reserve</b>		
Opening balance	13	8
Transfer from retained earnings	4	5
	<u>17</u>	<u>13</u>
<b>Special Economic Zone re-investment reserve</b>		
Opening balance	2,538	1,594
Transfer from retained earnings	9,407	5,058
Transfer to retained earnings	(4,658)	(4,114)
	<u>7,287</u>	<u>2,538</u>
<b>Retained earnings</b>		
Opening balance	70,928	71,532
Profit for the year	38,187	30,960
Remeasurement of defined employee benefit plans	141	(13)
Expenses for buy-back of equity shares <sup>1</sup>	(49)	(31)
Tax on buy-back of equity shares <sup>1</sup>	(4,192)	(3,726)
Buy-back of equity shares <sup>1</sup>	(17,996)	(15,995)
Transfer from Special Economic Zone re-investment reserve	4,658	4,114
	<u>91,677</u>	<u>86,841</u>
Less: Appropriations		
Dividend on equity shares	13,317	10,850
Transfer to capital redemption reserve <sup>1</sup>	4	5
Transfer to Special Economic Zone re-investment reserve	9,407	5,058
	<u>68,949</u>	<u>70,928</u>
<b>Investment revaluation reserve</b>		
Opening balance	916	882
Change during the year (net)	(336)	34
	<u>580</u>	<u>916</u>
<b>Cash flow hedging reserve (Refer note 6(l))</b>		
Opening balance	29	(23)
Change during the year (net)	(55)	52
	<u>(26)</u>	<u>29</u>
	<u><u>76,807</u></u>	<u><u>74,424</u></u>

\* Represents value less than ₹0.50 crore.

<sup>1</sup>Refer Note 6(n).

**10) Revenue recognition**

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

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

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- 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 Company 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 Company 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 Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

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

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company 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 Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company 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 from subsidiaries is recognised based on transaction price which is at arm's length.

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 licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there are excess of revenues 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 are 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.



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In accordance with Ind AS 37, the Company 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 Company 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 Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Consultancy services	1,59,106	1,34,585
Sale of equipment and software licences	1,235	1,378
	<b>1,60,341</b>	<b>1,35,963</b>

Revenue disaggregation by industry vertical is as follows:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Banking, Financial Services and Insurance	58,614	51,189
Manufacturing	14,576	11,747
Retail and Consumer Business	26,966	22,219
Communication, Media and Technology	28,778	24,243
Life Sciences and Healthcare	18,341	14,920
Others	13,066	11,645
	<b>1,60,341</b>	<b>1,35,963</b>

Revenue disaggregation by geography is as follows:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Americas</b>		
North America	90,630	76,510
Latin America	314	288
<b>Europe</b>		
United Kingdom	27,595	22,913
Continental Europe	17,595	15,364
Asia Pacific	11,178	9,839
India	9,547	8,102
Middle East and Africa	3,482	2,947
	<b>1,60,341</b>	<b>1,35,963</b>

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

**Information about major customers**

No single customer represents 10% or more of the Company's total revenue during the years ended March 31, 2022 and March 31, 2021.

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 Company has applied the practical expedient in Ind AS 115. Accordingly, the Company 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.

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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 ₹93,546 crore out of which 56.71% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Balance at the beginning of the year</b>	<b>3,051</b>	<b>3,486</b>
Invoices raised that were included in the contract assets balance at the beginning of the year	(2,464)	(2,795)
Increase due to revenue recognised during the year, excluding amounts billed during the year	2,828	2,332
Translation exchange difference	55	28
<b>Balance at the end of the year</b>	<b>3,470</b>	<b>3,051</b>

Changes in unearned and deferred revenue are as follows:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Balance at the beginning of the year</b>	<b>3,161</b>	<b>2,915</b>
Revenue recognised that was included in the contract liability balance at the beginning of the year	(2,311)	(2,388)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	2,735	2,602
Translation exchange difference	(12)	32
<b>Balance at the end of the year</b>	<b>3,573</b>	<b>3,161</b>

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

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Contracted price	1,62,898	1,38,292
Reductions towards variable consideration components	(2,557)	(2,329)
<b>Revenue recognised</b>	<b>1,60,341</b>	<b>1,35,963</b>

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

**11) Other income**

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

**TATA CONSULTANCY SERVICES LIMITED**  
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Other income consist of the following:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest income	2,555	2,383
Dividend income	3,548	2,213
Net gain on disposal / fair valuation of investments carried at fair value through profit or loss	186	193
Net gain on disposal of property, plant and equipment	25	19
Net gain on lease modification	2	89
Net foreign exchange gain	1,068	428
Rent income	21	7
Other income	81	68
	<b>7,486</b>	<b>5,400</b>

**Interest income comprise:**

Interest on bank balances and bank deposits	256	107
Interest on financial assets carried at amortised cost	481	500
Interest on financial assets carried at fair value through OCI	1,818	1,762
Other interest (including interest on tax refunds)	-	14

**Dividend income comprise:**

Dividend from subsidiaries	3,548	2,213
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**12) Employee benefits**

**Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at 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.

The Company provides benefits such as gratuity, pension and provident fund (Company managed fund) to its employees which are treated as defined benefit plans.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company provides benefits such as superannuation and foreign defined contribution plans to its employees which are treated as defined contribution plans.

**Short-term employee benefits**

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

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**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.

Employee benefit expenses consist of the following:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, incentives and allowances	73,115	63,006
Contributions to provident and other funds	5,734	4,321
Staff welfare expenses	2,248	1,719
	<b>81,097</b>	<b>69,046</b>

Employee benefit obligations consist of the following:

**Employee benefit obligations – Non-current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Foreign defined benefit plans	25	19
Other employee benefit obligations	78	89
	<b>103</b>	<b>108</b>

**Employee benefit obligations – Current**

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Compensated absences	2,802	2,558
Other employee benefit obligations	42	40
	<b>2,844</b>	<b>2,598</b>

Employee benefit plans consist of the following:

**Gratuity and pension**

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust. Certain overseas branches of the Company also provide for retirement benefit plans in accordance with the local laws.

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

	As at March 31, 2022				As at March 31, 2021			
	Domestic plans	Foreign plans	Foreign plans	Total	Domestic plans	Foreign plans	Foreign plans	Total
	Funded	Funded	Unfunded		Funded	Funded	Unfunded	
<b>Change in benefit obligations</b>								
Benefit obligations, beginning of the year	4,313	1	19	4,333	3,636	2	16	3,654
Translation exchange difference	-	-	1	1	-	-	-	-
Changes due to inter-company transfers	(3)	-	-	(3)	-	-	-	-
Service cost	536	-	5	541	460	-	4	464
Interest cost	296	-	-	296	244	-	-	244
Remeasurement of the net defined benefit liability	(190)	-	5	(185)	135	-	-	135
Benefits paid	(488)	-	(5)	(493)	(162)	(1)	(1)	(164)
<b>Benefit obligations, end of the year</b>	<b>4,464</b>	<b>1</b>	<b>25</b>	<b>4,490</b>	<b>4,313</b>	<b>1</b>	<b>19</b>	<b>4,333</b>

	As at March 31, 2022				As at March 31, 2021			
	Domestic plans	Foreign plans	Foreign plans	Total	Domestic plans	Foreign plans	Foreign plans	Total
	Funded	Funded	Unfunded		Funded	Funded	Unfunded	
<b>Change in plan assets</b>								
Fair value of plan assets, beginning of the year	4,704	1	-	4,705	3,641	2	-	3,643
Changes due to inter-company transfers	(3)	-	-	(3)	-	-	-	-
Interest income	334	-	-	334	269	-	-	269
Employers' contributions	975	-	-	975	837	-	-	837
Benefits paid	(488)	-	-	(488)	(162)	(1)	-	(163)
Remeasurement - return on plan assets excluding amount included in interest income	(5)	-	-	(5)	119	-	-	119
<b>Fair value of plan assets, end of the year</b>	<b>5,517</b>	<b>1</b>	<b>-</b>	<b>5,518</b>	<b>4,704</b>	<b>1</b>	<b>-</b>	<b>4,705</b>

	As at March 31, 2022				As at March 31, 2021			
	Domestic plans	Foreign plans	Foreign plans	Total	Domestic plans	Foreign plans	Foreign plans	Total
	Funded	Funded	Unfunded		Funded	Funded	Unfunded	
<b>Funded status</b>								
Deficit of plan assets over obligations	-	-	(25)	(25)	-	-	(19)	(19)
Surplus of plan assets over obligations	1,053	-	-	1,053	391	-	-	391
	<b>1,053</b>	<b>-</b>	<b>(25)</b>	<b>1,028</b>	<b>391</b>	<b>-</b>	<b>(19)</b>	<b>372</b>

	As at March 31, 2022				As at March 31, 2021			
	Domestic plans	Foreign plans	Foreign plans	Total	Domestic plans	Foreign plans	Foreign plans	Total
	Funded	Funded	Unfunded		Funded	Funded	Unfunded	
<b>Category of assets</b>								
Corporate bonds	1,696	-	-	1,696	1,408	-	-	1,408
Equity instruments	66	-	-	66	29	-	-	29
Government bonds and securities	2,624	-	-	2,624	2,257	-	-	2,257
Insurer managed funds	981	1	-	982	909	1	-	910
Bank balances	5	-	-	5	2	-	-	2
Others	145	-	-	145	99	-	-	99
	<b>5,517</b>	<b>1</b>	<b>-</b>	<b>5,518</b>	<b>4,704</b>	<b>1</b>	<b>-</b>	<b>4,705</b>

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

	As at March 31, 2022				As at March 31, 2021			
	Domestic plans	Foreign plans	Foreign plans	Total	Domestic plans	Foreign plans	Foreign plans	Total
	Funded	Funded	Unfunded		Funded	Funded	Unfunded	
Service cost	536	-	5	541	460	-	4	464
Net interest on net defined benefit asset	(38)	-	-	(38)	(25)	-	-	(25)
Net periodic gratuity / pension cost	498	-	5	503	435	-	4	439
Actual return on plan assets	329	-	-	329	388	-	-	388

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

	As at March 31, 2022			
	Domestic plans	Foreign plans	Foreign plans	Total
	Funded	Funded	Unfunded	
Actuarial (gains) and losses arising from changes in demographic assumptions	(20)	-	2	(18)
Actuarial gains arising from changes in financial assumptions	(165)	-	(1)	(166)
Actuarial (gains) and losses arising from changes in experience adjustments	(5)	-	4	(1)
<b>Remeasurement of the net defined benefit liability</b>	<b>(190)</b>	<b>-</b>	<b>5</b>	<b>(185)</b>
Remeasurement - return on plan assets excluding amount included in interest income	5	-	-	5
	<b>(185)</b>	<b>-</b>	<b>5</b>	<b>(180)</b>

	As at March 31, 2021			
	Domestic plans	Foreign plans	Foreign plans	Total
	Funded	Funded	Unfunded	
Actuarial losses arising from changes in demographic assumptions	24	-	-	24
Actuarial gains arising from changes in financial assumptions	(32)	-	-	(32)
Actuarial losses arising from changes in experience adjustments	143	-	-	143
<b>Remeasurement of the net defined benefit liability</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>135</b>
Remeasurement - return on plan assets excluding amount included in interest income	(119)	-	-	(119)
	<b>16</b>	<b>-</b>	<b>-</b>	<b>16</b>

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

	As at March 31, 2022		As at March 31, 2021	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	7.00%	1.50%-2.70%	6.50%	0.50%-2.00%
Rate of increase in compensation levels of covered employees	6.00%	2.24%-3.80%	6.00%	1.83%-3.45%
Rate of return on plan assets	7.00%	1.50%-2.70%	6.50%	0.50%-2.00%
Weighted average duration of defined benefit obligations	8 years	3-6.4 years	10 years	3-6.9 years

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

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The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2022. The Company does not expect to contribute to defined benefit plan obligations funds for year ending March 31, 2023 in view of adequate surplus plan assets as at March 31, 2022.

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, 2022	As at March 31, 2021
Increase of 0.50%	(159)	(190)
Decrease of 0.50%	170	206

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

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
Increase of 0.50%	171	206
Decrease of 0.50%	(161)	(192)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the 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 the year ended March 31, 2022 as follows:

	(₹ crore)
Year ending March 31,	Defined benefit obligations
2023	455
2024	377
2025	396
2026	386
2027	392
2028-2032	1,909

**Provident fund**

In accordance with Indian law, all eligible employees of the Company in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in statement of profit and loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

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The details of fund and plan assets are given below:

	(₹ crore)	
	As at	As at
	March 31, 2022	March 31, 2021
Fair value of plan assets	22,814	20,003
Present value of defined benefit obligations	(22,814)	(20,003)
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 obligation of interest guarantee under the deterministic approach are as follows:

	As at	As at
	March 31, 2022	March 31, 2021
Discount rate	7.00%	6.50%
Average remaining tenure of investment portfolio	8 years	8 years
Guaranteed rate of return	8.10%	8.50%

The Company expensed ₹1,372 crore and ₹1,078 crore for the years ended March 31, 2022 and 2021, respectively, towards provident fund.

**Superannuation**

All eligible employees on Indian payroll are entitled to benefits under Superannuation, a defined contribution plan. The Company makes monthly contributions until retirement or resignation of the employee. The Company recognises such contributions as an expense when incurred. The Company has no further obligation beyond its monthly contribution.

The Company expensed ₹271 crore and ₹254 crore for the years ended March 31, 2022 and 2021, respectively, towards Employees' Superannuation Fund.

**Foreign defined contribution plan**

The Company expensed ₹885 crore and ₹658 crore for the years ended March 31, 2022 and 2021, respectively, towards foreign defined contribution plans.

**13) Cost recognition**

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licences, depreciation and amortisation expense and other 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 are aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.



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**(a) Cost of equipment and software licences**

Cost of equipment and software licences consist of the following:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Raw materials, sub-assemblies and components consumed	29	14
Equipment and software licences purchased	984	1,215
	<b>1,013</b>	<b>1,229</b>
<b>Finished goods and work-in-progress</b>		
Opening stock	*	1
Less: Closing stock	3	*
	<b>(3)</b>	<b>1</b>
	<b>1,010</b>	<b>1,230</b>

\*Represents value less than ₹0.50 crore.

**(b) Other expenses**

Other expenses consist of the following:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Fees to external consultants	19,338	14,527
Facility expenses	1,707	1,708
Travel expenses	1,361	919
Communication expenses	1,303	1,254
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	107	185
Other expenses	8,173	6,784
	<b>31,989</b>	<b>25,377</b>

Other expenses include ₹3,733 crore and ₹2,944 crore for the years ended March 31, 2022 and 2021, respectively, towards sales, marketing and advertisement expenses.

**(c) Corporate Social Responsibility (CSR) expenditure**

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
1 Amount required to be spent by the company during the year	716	663
2 Amount of expenditure incurred on:		
(i). Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	727	674
3 Shortfall at the end of the year	-	-
4 Total of previous years shortfall	-	-
5 Reason for shortfall	NA	NA
6 Nature of CSR activities	Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage	
7 Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
Contribution to TCS Foundation in relation to CSR expenditure	680	351

**TATA CONSULTANCY SERVICES LIMITED**  
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**14) Finance costs**

Finance costs consist of the following:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	451	450
Interest on tax matters	7	85
Other interest costs	28	2
	<b>486</b>	<b>537</b>

**15) Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in 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 having its branches in India and overseas where it operates. The current tax payable by the Company in India is Indian income tax payable on worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

**Deferred income taxes**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

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

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

The income tax expense consists of the following:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current tax</b>		
Current tax expense for current year	12,912	10,404
Current tax benefit pertaining to prior years	(981)	(104)
	<b>11,931</b>	<b>10,300</b>
<b>Deferred tax</b>		
Deferred tax benefit for current year	(395)	(294)
Deferred tax benefit pertaining to prior years	-	(64)
	<b>(395)</b>	<b>(358)</b>
	<b>11,536</b>	<b>9,942</b>

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

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxes	49,723	40,902
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	17,375	14,293
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
Tax holidays	(4,604)	(4,708)
Income exempt from tax	(1,240)	(773)
Undistributed earnings in branches	(232)	26
Tax on income at different rates	1,107	1,103
Tax pertaining to prior years	(981)	(168)
Others (net)	111	169
<b>Total income tax expense</b>	<b>11,536</b>	<b>9,942</b>

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 1, 2011 profits from units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

	(₹ crore)				
	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / utilisation	Closing balance
<b>Deferred tax assets / (liabilities) in relation to</b>					
Property, plant and equipment and intangible assets	290	84	-	-	374
Provision for employee benefit obligations	639	94	-	-	733
Cash flow hedges	(8)	-	16	-	8
Receivables, financial assets at amortised cost	336	36	-	-	372
MAT credit entitlement	1,710	-	-	(736)	974
Branch profit tax	(310)	233	-	-	(77)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(500)	-	180	-	(320)
Lease liabilities	210	(29)	-	-	181
Others	428	(23)	-	-	405
	<b>2,795</b>	<b>395</b>	<b>196</b>	<b>(736)</b>	<b>2,650</b>

Gross deferred tax assets and liabilities are as follows:

	(₹ crore)		
As at March 31, 2022	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to</b>			
Property, plant and equipment and Intangible assets	426	52	374
Provision for employee benefit obligations	733	-	733
Cash flow hedges	8	-	8
Receivables, financial assets at amortised cost	372	-	372
MAT credit entitlement	974	-	974
Branch profit tax	-	77	(77)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(320)	-	(320)
Lease liabilities	181	-	181
Others	405	-	405
	<b>2,779</b>	<b>129</b>	<b>2,650</b>

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

	(₹ crore)				
	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / Utilisation	Closing balance
<b>Deferred tax assets / (liabilities) in relation to</b>					
Property, plant and equipment and intangible assets	162	128	-	-	290
Provision for employee benefit obligations	468	171	-	-	639
Cash flow hedges	7	-	(15)	-	(8)
Receivables, financial assets at amortised cost	327	9	-	-	336
MAT credit entitlement	1,049	64	-	597	1,710
Branch profit tax	(284)	(26)	-	-	(310)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(483)	-	(17)	-	(500)
Lease liabilities	308	(98)	-	-	210
Others	318	110	-	-	428
	<b>1,872</b>	<b>358</b>	<b>(32)</b>	<b>597</b>	<b>2,795</b>

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2021	(₹ crore)		
	Assets	Liabilities	Net
<b>Deferred tax assets / (liabilities) in relation to</b>			
Property, plant and equipment and Intangible assets	345	55	290
Provision for employee benefit obligations	639	-	639
Cash flow hedges	(8)	-	(8)
Receivables, financial assets at amortised cost	336	-	336
MAT credit entitlement	1,710	-	1,710
Branch profit tax	-	310	(310)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(500)	-	(500)
Lease liabilities	210	-	210
Others	428	-	428
	<b>3,160</b>	<b>365</b>	<b>2,795</b>

Under the Income-tax Act, 1961, the Company is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**Direct tax contingencies**

The Company has ongoing disputes with income tax authorities in India and in some of the other jurisdictions where it operates. The disputes relate to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances and characterisation of fees for services received. The Company has recognised contingent liability in respect of tax demands received from direct tax authorities in India and other jurisdictions of ₹1,616 crore and ₹891 crore as at March 31, 2022 and 2021, respectively. These demand orders are being contested by the Company 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, 2022 and 2021, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2018 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2018 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2018 and earlier.

**16) Earnings per share**

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year (₹ crore)	38,187	30,960
Weighted average number of equity shares	369,88,32,195	374,01,10,733
Basic and diluted earnings per share (₹)	103.24	82.78
Face value per equity share (₹)	1	1

**17) Auditor's remuneration**

Auditor's remuneration consists of the following:

	Year ended March 31, 2022	Year ended March 31, 2021
Auditor	9	9
For taxation matters	1	1
For company law matters	-	-
For other services	4	4
For reimbursement of expenses	1	1

**18) Segment information**

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

**19) Commitments and contingencies**

**Capital commitments**

The Company has contractually committed (net of advances) ₹1,315 crore and ₹1,009 crore as at March 31, 2022 and 2021, respectively, for purchase of property, plant and equipment.

**Contingencies**

• **Direct tax matters**

Refer note 15.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

- **Indirect tax matters**

The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company has demands amounting to ₹500 crore and ₹495 crore as at March 31, 2022 and 2021, respectively, from various indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants.

- **Other claims**

Claims aggregating ₹235 crore and ₹105 crore as at March 31, 2022 and 2021, respectively, against the Company have not been acknowledged as debts.

In addition to above, in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin alleging unauthorised access to and download of their confidential information and use thereof in the development of the Company's product MedMantra. In April 2016, the Company received an unfavourable jury verdict awarding damages of ₹7,115 crore (US \$940 million) to Epic which was thereafter reduced by the Trial Court to ₹3,179 crore (US \$420 million). Pursuant to reaffirmation of the District Court order in March 2019, the Company filed an appeal in the Appeals Court to fully set aside the Order. Epic also filed a cross appeal challenging the reduction by the District Court judge of ₹757 crore (US \$100 million) award and ₹1,514 crore (US \$200 million) in punitive damages. On August 20, 2020, the Appeals Court vacated the award of ₹2,119 crore (US \$280 million) in punitive damages considering the award to be constitutionally excessive and remanded the case back to District Court with instructions to reassess and reduce the punitive damages award to at most ₹1,060 crore (US \$140 million), affirmed the District Court's decision vacating the jury's award of ₹757 crore (US \$100 million) in compensatory damages for alleged use of "other confidential information" by the Company, and affirmed the District Court's decision upholding the jury's award of ₹1,060 crore (US \$140 million) in compensatory damages for use of the comparative analysis by the Company. The proceedings for assessing punitive damages have been remanded back to the District Court. Both the Company and Epic have filed their briefs at the District Court in relation to punitive damages. The matter is under consideration by the District Court. On April 8, 2021, Epic approached the Supreme Court seeking review of the order of the Appeals Court vacating the award of ₹2,119 crore (US \$280 million) towards punitive damages and remanding back to District Court with an instruction to reassess the punitive damages, to no more than ₹1,060 crore (US \$140 million). On March 21, 2022, Supreme Court denied Epic's petition seeking review of the order. The Company will continue to pursue all legal options available in the matter. Considering all the facts and various legal precedence, on a conservative and prudent basis, the Company provided ₹1,218 crore (US \$165 million) towards this legal claim in its statement of profit and loss for three month period ended September 30, 2020. This was presented as an "exceptional item" in the standalone statement of profit and loss.

Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹3,331 crore (US \$440 million) as financial security in order to stay execution of the judgement pending post-appeal proceedings and conclusion.

- **Guarantees and letter of comfort**

The Company has given letter of comfort to banks for credit facilities availed by its subsidiaries. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

The Company has provided guarantees to third parties on behalf of its subsidiaries. The Company does not expect any outflow of resources in respect of the above.

The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

**20) Related party transactions**

The Company's principal related parties consist of its holding company, Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business. Refer note 21 of consolidated financial statement for list of subsidiaries of the Company.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

Transactions with related parties are as follows:

	Year ended March 31, 2022					(₹ crore)
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	40	21,358	770	2,233	-	24,401
Dividend income	-	3,548	-	-	-	3,548
Rent income	-	26	-	-	-	26
Other income	-	44	-	-	-	44
Purchases of goods and services (including reimbursements)	-	11,045	534	159	-	11,738
Brand equity contribution	100	-	-	-	-	100
Facility expenses	1	101	19	45	-	166
Lease rental	-	-	73	24	-	97
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	-	(3)	1	-	(2)
Contribution and advance to post employment benefit plans	-	-	-	-	2,322	2,322
Purchase of property, plant and equipment	-	-	15	147	-	162
Advances given	-	2	3	6	-	11
Advances recovered	-	1	3	17	-	21
Advances taken	-	158	-	1	-	159
Dividend paid	9,609	-	5	2	-	9,616
Guarantees given	-	29	-	-	-	29
Buy-back of shares	11,164	-	4	6	-	11,174
Cost recovery	-	2,799	-	-	-	2,799
Sale of property, plant and equipment	-	1	-	-	-	1



**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

	Year ended March 31, 2021					(₹ crore)
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	35	18,245	591	1,752	-	20,623
Dividend income	-	2,215	-	-	-	2,215
Rent income	-	12	-	-	-	12
Other income	-	40	-	-	-	40
Purchases of goods and services (including reimbursements)	1	8,798	444	355	-	9,598
Brand equity contribution	100	-	-	-	-	100
Facility expenses	-	87	17	42	-	146
Lease rental	1	-	36	45	-	82
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	-	3	-	-	3
Contribution and advance to post employment benefit plans	-	-	-	-	5,913	5,913
Purchase of property, plant and equipment	-	-	3	88	-	91
Advances given	-	-	1	6	-	7
Advances recovered	-	-	1	10	-	11
Advances taken	-	3	1	4	-	8
Dividend paid	7,817	-	4	3	-	7,824
Guarantees given	-	1	-	-	-	1
Buy-back of shares	9,998	-	4	-	-	10,002
Sale / Redemption of investments	-	12	-	-	-	12
Purchase of investments	-	224	-	-	-	224
Cost recovery	-	2,840	-	-	-	2,840

Balances receivable from related parties are as follows:

	As at March 31, 2022					(₹ crore)
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables and contract assets	11	6,704	242	673	-	7,630
Loans, other financial assets and other assets	10	157	52	30	-	249
	21	6,861	294	703	-	7,879

	As at March 31, 2021					(₹ crore)
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables and contract assets	8	4,392	255	519	-	5,174
Loans, other financial assets and other assets	9	65	21	62	-	157
	17	4,457	276	581	-	5,331

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

Balances payable to related parties are as follows:

	As at March 31, 2022					(₹ crore)
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	92	5,067	499	111	-	5,769
Commitments and guarantees	-	4,610	37	201	-	4,848
						(₹ crore)
	As at March 31, 2021					
	Tata Sons Private Limited	Subsidiaries of the Company	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	91	3,604	296	393	-	4,384
Commitments and guarantees	-	4,669	10	270	-	4,949

Material related party transactions are as follows:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue from operations</b>		
Tata Consultancy Services Sverige AB	2,172	1,939
Tata Consultancy Services Canada Inc.	2,804	2,034
Tata Consultancy Services Deutschland GmbH	3,038	2,504
Tata Consultancy Services Netherlands BV	3,006	2,848
Jaguar Land Rover Limited	1,500	1,093
Tata Consultancy Services Switzerland Ltd.	2,285	1,786
<b>Purchases of goods and services (including reimbursements)</b>		
Tata America International Corporation	3,156	2,803
Tata Consultancy Services De Mexico S.A., De C.V.	2,130	1,637
TCS Foundation	679	350
<b>Dividend income</b>		
Tata America International Corporation	707	1,002
Tata Consultancy Services Canada Inc.	649	193
Tata Consultancy Services Netherlands BV	646	405
TCS Iberoamerica SA	682	374

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

Material related party balances are as follows:

	(₹ crore)	
	As at March 31, 2022	As at March 31, 2021
<b>Trade receivables and contract assets</b>		
Tata America International Corporation	1,291	456
Tata Consultancy Services Sverige AB	88	219
Tata Consultancy Services France	1,063	1,028
Tata Consultancy Services Netherlands BV	594	244
Tata Consultancy Services Asia Pacific Pte Ltd.	345	271
Diligenta Limited	745	594
Jaguar Land Rover Limited	379	290
<b>Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities</b>		
Tata America International Corporation	2,044	1,519
Tata Consultancy Services De Mexico S.A., De C.V.	433	168

Transactions with key management personnel are as follows:

	(₹ crore)	
	Year ended March 31, 2022	Year ended March 31, 2021
Short-term benefits	53	43
Dividend paid during the year	1	1
	<b>54</b>	<b>44</b>

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.

21) The sitting fees and commission paid to non-executive directors is ₹12 crore and ₹10 crore as at March 31, 2022 and 2021, respectively.

22) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**TATA CONSULTANCY SERVICES LIMITED**  
**Notes forming part of Standalone Financial Statements**

**23) Additional Regulatory Information**

• **Ratios**

Ratio	Numerator	Denominator	Current year	Previous year
Current ratio (in times)	Total current assets	Total current liabilities	2.5	2.9
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.1	0.1
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	23.2	20.4
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	50.3%	41.5%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.8	4.2
Trade payables turnover ratio (in times)	Cost of equipment and software licences + Other expenses	Average trade payables	3.7	3.2
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.9	2.5
Net profit ratio (in %)	Profit for the year	Revenue from operations	23.8%	22.8%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	60.4%	51.1%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	6.1%	6.5%

**24) Dividends**

Dividends paid during the year ended March 31, 2022 include an amount of ₹15.00 per equity share towards final dividend for the year ended March 31, 2021 and an amount of ₹21.00 per equity share towards interim dividends for the year ended March 31, 2022. Dividends paid during the year ended March 31, 2021 include an amount of ₹6.00 per equity share towards final dividend for the year ended March 31, 2020 and an amount of ₹23.00 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2021.

Dividends declared by the Company are based on the profit available for distribution. On April 11, 2022, the Board of Directors of the Company have proposed a final dividend of ₹22.00 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹8,050 crore.

As per our report of even date attached  
**For BSR & Co. LLP**

*Chartered Accountants*

Firm's registration no: 101248W/W-100022

**AMIT SOMANI**  
 Digitally signed by AMIT SOMANI  
 Date: 2022.04.11 21:32:12 +05'30'

**Amit Somani**

*Partner*

Membership No: 060154

Mumbai, April 11, 2022

**For and on behalf of the Board**

**RAJESH GOPINATHAN**  
 Digitally signed by RAJESH GOPINATHAN  
 Date: 2022.04.11 19:46:19 +05'30'  
**Rajesh Gopinathan**  
*CEO and Managing Director*

**SAMIR ANAND SEKSARIA**  
 Digitally signed by SAMIR ANAND SEKSARIA  
 Date: 2022.04.11 19:50:10 +05'30'  
**Samir Seksaria**  
*CFO*

Mumbai, April 11, 2022

**GANAPATHY SUBRAMANIAM NATARAJAN**  
 Digitally signed by GANAPATHY SUBRAMANIAM NATARAJAN  
 Date: 2022.04.11 18:16:21 +05'30'  
**N Ganapathy Subramaniam**  
*COO and Executive Director*  
**PRADEEP MANOHAR GAITONDE**  
 Digitally signed by PRADEEP MANOHAR GAITONDE  
 Date: 2022.04.11 18:07:46 +05'30'  
**Pradeep Manohar Gaitonde**  
*Company Secretary*

**TATA CONSULTANCY SERVICES LIMITED**  
**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014**  
**in the prescribed Form AOC-1 relating to subsidiary companies**

Sr. No.	Name of the Subsidiary Company	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of Shareholding	Country
₹ crore																	
1	APTOnline Limited	April 1, 2021	March 31, 2022	INR	1.000000	2	108	190	80	32	135	21	3	18	-	89%	India
2	AP Online Limited	April 1, 2021	March 31, 2022	INR	1.000000	1	120	158	37	121	77	24	6	18	-	89%	India
3	C-Edge Technologies Limited	April 1, 2021	March 31, 2022	INR	1.000000	10	303	394	81	-	323	98	25	73	-	51%	India
4	MahaOnline Limited	April 1, 2021	March 31, 2022	INR	1.000000	3	77	134	54	34	3	2	1	1	-	74%	India
5	TCS e-Serve International Limited	April 1, 2021	March 31, 2022	INR	1.000000	10	146	1,052	896	90	1,889	115	27	88	-	100%	India
6	Diligenta Limited	January 1, 2021	December 31, 2021	GBP	99.374057	10	1,392	2,696	1,294	293	3,730	8	-	8	-	100%	U.K.
7	Tata Consultancy Services Canada Inc.	April 1, 2021	March 31, 2022	CAD	60.450647	43	791	2,412	1,578	-	8,022	664	172	492	-	100%	Canada
8	Tata America International Corporation	April 1, 2021	March 31, 2022	USD	75.696300	2	1,217	4,061	2,842	305	3,845	983	253	730	-	100%	U.S.A.
9	Tata Consultancy Services Asia Pacific Pte Ltd.	April 1, 2021	March 31, 2022	USD	75.696300	33	864	1,560	663	819	2,458	206	17	189	-	100%	Singapore
10	Tata Consultancy Services (China) Co., Ltd.	January 1, 2021	December 31, 2021	CNY	11.933644	241	19	396	136	-	884	25	10	15	-	93.2%	China
11	Tata Consultancy Services Japan, Ltd.	April 1, 2021	March 31, 2022	JPY	0.620894	269	1,207	2,676	1,200	-	4,663	358	111	247	-	66%	Japan
12	Tata Consultancy Services Malaysia Sdn Bhd	April 1, 2021	March 31, 2022	MYR	17.995935	4	70	196	122	-	430	4	3	1	-	100%	Malaysia
13	PT Tata Consultancy Services Indonesia	April 1, 2021	March 31, 2022	IDR	0.002368	1	31	84	52	-	100	21	8	13	-	100%	Indonesia
14	Tata Consultancy Services (Philippines) Inc.	April 1, 2021	March 31, 2022	PHP	1.462589	(40)	153	443	330	-	775	61	8	53	-	100%	Philippines
15	Tata Consultancy Services (Thailand) Limited	April 1, 2021	March 31, 2022	THB	2.270265	2	6	52	44	-	110	3	1	2	-	100%	Thailand
16	Tata Consultancy Services Belgium	April 1, 2021	March 31, 2022	EUR	84.302958	2	424	809	383	-	2,241	129	34	95	-	100%	Belgium
17	Tata Consultancy Services Deutschland GmbH	April 1, 2021	March 31, 2022	EUR	84.302958	1	630	1,795	1,164	-	6,018	470	145	325	-	100%	Germany
18	Tata Consultancy Services Sverige AB	April 1, 2021	March 31, 2022	SEK	8.160446	-	887	1,290	403	-	3,786	196	43	153	-	100%	Sweden
19	Tata Consultancy Services Netherlands BV	April 1, 2021	March 31, 2022	EUR	84.302958	556	2,080	4,081	1,445	1,645	5,794	599	79	520	-	100%	Netherlands
20	TCS Italia s.r.l.	April 1, 2021	March 31, 2022	EUR	84.302958	19	55	175	101	-	386	30	14	16	-	100%	Italy
21	Tata Consultancy Services Luxembourg S.A.	April 1, 2021	March 31, 2022	EUR	84.302958	47	62	214	105	-	716	74	22	52	-	100%	Capellen (G.D. de Luxembourg)
22	Tata Consultancy Services Switzerland Ltd.	April 1, 2021	March 31, 2022	CHF	81.771956	12	693	1,489	764	-	3,716	230	42	208	-	100%	Switzerland
23	Tata Consultancy Services Österreich GmbH	April 1, 2021	March 31, 2022	EUR	84.302958	-	3	43	40	-	67	(1)	(1)	(1)	-	100%	Austria
24	Tata Consultancy Services Denmark ApS	April 1, 2021	March 31, 2022	DKK	11.333308	1	5	6	-	-	11	-	-	-	-	100%	Denmark
25	Tata Consultancy Services De Espana S.A.	April 1, 2021	March 31, 2022	EUR	84.302958	1	69	176	105	-	385	21	3	18	-	100%	Spain
26	Tata Consultancy Services (Portugal) Unipessoal, Limitada	April 1, 2021	March 31, 2022	EUR	84.302958	-	13	40	27	-	54	10	1	9	-	100%	Portugal
27	Tata Consultancy Services France	April 1, 2021	March 31, 2022	EUR	84.302958	4	(389)	1,387	1,772	-	2,441	37	4	33	-	100%	France
28	Tata Consultancy Services Saudi Arabia	January 1, 2021	December 31, 2021	SAR	20.178147	8	104	202	90	-	345	(1)	4	(5)	-	100%	Saudi Arabia
29	Tata Consultancy Services (Africa) (PTY) Ltd.	January 1, 2021	December 31, 2021	ZAR	5.231149	7	49	56	-	56	-	38	-	38	-	100%	South Africa
30	Tata Consultancy Services (South Africa) (PTY) Ltd.	January 1, 2021	December 31, 2021	ZAR	5.231149	9	83	519	427	-	1,038	58	17	41	-	100%	South Africa
31	TCS PMS Pty Limited	April 1, 2021	March 31, 2022	AUD	56.598124	211	(84)	147	-	2	-	42	-	42	-	100%	Australia
32	TCS Financial Solutions Beijing Co., Ltd.	January 1, 2021	December 31, 2021	CNY	11.933644	46	(3)	56	15	-	62	3	2	1	-	100%	China
33	TCS Financial Solutions Australia Pty Limited	April 1, 2021	March 31, 2022	AUD	56.598124	-	87	131	44	-	68	54	7	47	-	100%	Australia
34	TCS Iberoamerica SA	April 1, 2021	March 31, 2022	USD	75.696300	745	933	1,679	1	1,645	-	763	32	731	-	100%	Uruguay
35	TCS Solution Center S.A.	January 1, 2021	December 31, 2021	UYU	1.845126	66	291	498	141	-	904	160	33	127	-	100%	Uruguay
36	Tata Consultancy Services Argentina S.A.	January 1, 2021	December 31, 2021	ARS	0.682634	3	(1)	43	41	-	44	1	-	1	-	100%	Argentina
37	Tata Consultancy Services Do Brasil Ltda	January 1, 2021	December 31, 2021	BRL	15.864257	279	45	587	263	-	1,082	116	42	74	-	100%	Brazil
38	Tata Consultancy Services De Mexico S.A., De C.V.	January 1, 2021	December 31, 2021	MXN	3.808006	1	605	1,768	1,162	-	3,178	321	322	(1)	-	100%	Mexico
39	Tata Consultancy Services Chile S.A.	January 1, 2021	December 31, 2021	CLP	0.095933	163	221	528	144	53	682	100	11	89	-	100%	Chile
40	TCS Inversiones Chile Limitada	January 1, 2021	December 31, 2021	CLP	0.095933	147	168	324	9	308	35	87	1	86	-	100%	Chile
41	TATASOLUTION CENTER S.A.	January 1, 2021	December 31, 2021	USD	75.696300	23	81	216	112	-	469	74	25	49	-	100%	Ecuador
42	TCS Uruguay S.A.	January 1, 2021	December 31, 2021	UYU	1.845126	-	117	223	106	65	510	120	8	112	-	100%	Uruguay
43	MGDC S.C.	January 1, 2021	December 31, 2021	MXN	3.808006	65	(22)	131	88	-	46	(51)	32	(8)	-	100%	Mexico
44	Tata Consultancy Services Qatar LLC	January 1, 2021	December 31, 2021	QAR	20.787692	4	29	45	12	-	52	1	-	1	-	100%	Qatar
45	Tata Consultancy Services UK Limited	January 1, 2021	December 31, 2021	GBP	99.374057	-	27	28	1	-	-	-	-	-	-	100%	U.K.
46	TCS Business Services GmbH	April 1, 2021	March 31, 2022	EUR	84.302958	-	20	135	115	56	148	21	7	14	-	100%	Germany
47	Tata Consultancy Services Ireland Limited	January 1, 2021	December 31, 2021	EUR	84.302958	211	34	408	163	-	817	25	5	20	-	100%	Ireland
48	TCS Technology Solutions AG	January 1, 2021	December 31, 2021	EUR	84.302958	27	203	1,279	1,049	-	1,717	221	9	212	-	100%	Germany
49	Saudi Desert Rose Holding B.V.	January 1, 2021	December 31, 2021	EUR	84.302958	-	2	2	-	-	-	34	2	32	-	100%	Netherlands
50	Tata Consultancy Services Bulgaria EOOD	January 1, 2021	December 31, 2021	BGN	43.139169	-	9	25	16	-	19	10	1	9	-	100%	Bulgaria
51	Tata Consultancy Services Guatemala, S.A.	January 1, 2021	December 31, 2021	GTQ	9.849876	8	4	25	13	-	22	5	1	4	-	100%	Guatemala
52	TCS Foundation	April 1, 2021	March 31, 2022	INR	1.000000	1	1,466	1,476	9	85	-	379	-	379	-	100%	India

**TATA CONSULTANCY SERVICES LIMITED**  
**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014**  
**in the prescribed Form AOC-1 relating to subsidiary companies**

**Notes:**

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2022.
2. Tata Consultancy Services Qatar S.S.C. renamed as Tata Consultancy Services Qatar L.L.C.
3. W12 Studios Limited renamed as Tata Consultancy Services UK Limited.
4. Equity stake increased to 100% in Tata Consultancy Services Saudi Arabia on acquisition of Saudi Desert Rose Holding B.V. w.e.f. May 26, 2021.
5. Tata Consultancy Services Ireland Limited incorporated a wholly owned subsidiary, Tata Consultancy Services Bulgaria EOOD in Bulgaria on August 31, 2021.
6. TCS Iberoamerica SA incorporated a subsidiary, Tata Consultancy Services Guatemala, S.A. in Guatemala on September 1, 2021.
7. Postbank Systems AG renamed as TCS Technology Solutions AG.

For and on behalf of the Board  
RAJESH GOPINATHAN Digitally signed by RAJESH  
Gopinathan  
CEO and Managing Director

SAMIR ANAND ANAND SEKSARIA Digitally signed by SAMIR  
SEKSARIA  
CFO

GANAPATHY SUBRAMANIAM Digitally signed by  
GANAPATHY SUBRAMANIAM  
M NATARAJAN  
COO and Executive Director

PRADEEP MANOHAR GAITONDE Digitally signed by  
PRADEEP MANOHAR  
GAITONDE  
Company Secretary

Mumbai, April 11, 2022